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THE DEPARTMENT OF STATE



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December 25, 1961

The Department of State BULLETIN, a weekly publication issued by the Office of Public Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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The Hour of Decision: A New Approach to American Trade Policy

Addresses by President Kennedy Before the National Association of Manufacturers and the American Federation of Labor and Congress of Industrial Organizations

ADDRESS BEFORE NAM

Mr. President and gentlemen: I understand that President McKinley and I are the only two Presidents of the United States to ever address such an occasion. I suppose that President McKinley and I are the only two that are regarded as fiscally sound enough to be qualified for admission to this organization on an occasion such as this.

I have not always considered the membership of the NAM as among my strongest supporters. I am not sure you have all approached the New Frontier with the greatest possible enthusiasm, and I was therefore somewhat nervous about accepting this invitation, until I did some studying of the history of this organization. I learned that this organization had once denounced on one occasion-I'll quote-"swollen bureaucracy" as among the triumphs of Karl Marx and decried on another occasion new governmental "paternalism and socialism." I was comforted when reading this very familiar language to note that I was in very good company. For the first attack I quoted was on Calvin Coolidge and the second on Herbert Hoover.

I remind you of this only to indicate the happy failure of many of our most pessimistic predictions. And that is true of all of us. I recognize that in the last campaign most of the members of this luncheon group today supported my opponent, except for a very few—who were under the impression that I was my father's son. But I hope that some of your most alarming feelings of a year ago about the imminent collapse of the whole business system if I was elected have been somewhat lessened.

We have selected, I think, able men, whom I hope you have come to have a regard for, to serve in the responsible positions of the Government. One of them here, our distinguished Secretary of Commerce, Governor Hodges, who had a long career in business; Secretary Goldberg, who I think has earned the respect of business as well as labor; Secretary of the Treasury Dillon and his Under Secretary, Mr. Robert Roosa, who was the Vice President of the Federal Reserve Bank of New York; Mr. Robert McNamara, whom many of you know, the Secretary of Defense; Mr. John McCone, who is the head of the Central Intelligence Agency succeeding Mr. Dulles; and Mr. Rusk, Secretary of State-I think they are all men of experience, and also, I think, they are vitally interested in the maintenance of all kinds of freedom in this country.

I think that, while we may not have been together a year ago, we are together now, and I will be the President of the United States for the next 3 years, and I am most anxious that, while we may not agree on all matters, good will at least will prevail among us and that we will both recognize that those of us who work in the National Government, and all of you, are motivated by a desire to serve our country.

¹ Made at New York, N.Y., on Dec. 6 (White House press release; as-delivered text).

Cooperation of Business and Government

Our responsibilities are different, but I believe that we can have a period, in the next few years, of cooperation between business and government in order to advance the common interest.

I have read about the feeling of some businessmen that we are antibusiness, and I would think that a moment's thought would show how really untrue that must be; and I say it, really, for three reasons.

In the first place, we are committed to the defense of freedom around the world. When business does well in this country, we have full employment, and this country is moving ahead, then it strengthens our image as a prosperous and vital country in this great fight in which we are engaged. When you do well, the United States does well, and our policies abroad do well. And when you do badly, all suffer.

Secondly, we are unable to maintain the kind of high employment which we must maintain, unless you are making profits, and reinvesting, and producing; and therefore as we are committed to the goal—and we must all be in this country—of trying to make sure that everyone who wants a job will find it, then quite obviously we must make the system work and the business community must prosper.

And thirdly, and to put it on its most narrow basis, we are—in the National Government, and I know—a rather unpopular partner in every one of your businesses. Our revenues come from you. When you are making profits, then we are able to meet our bills. When you fail, then we fail. So for every reason government and business are completely interdependent and completely involved. And while we may differ on the policies which may bring this country prosperity, there is no disagreement, I am sure, on either side about the tremendous importance of you gentlemen moving ahead, and prospering, and contributing to the growth of this country.

And I hope, if nothing else, that my presence here today indicates that my remarks represent the views of all of us who occupy a position of responsibility in Washington today.

It is not an exaggeration to say that this endeavor of building a prosperous America, in a world of free and prosperous states, making the most of our human and material resources, and avoiding the harmful effects and fluctuations of inflation and recession, are of course matters of the greatest importance to us all.

And it is not an exaggeration to say that this endeavor proceeds under conditions today more fraught with peril than any in our history.

Seizing the Initiative

As communism continues its long-range drive to impose its way of life all around the world, our strongest desire is not unnaturally to seize the initiative—to get off the defensive—to do more than react to the Soviets. But while this is not an unreasonable urge, its concrete application is more difficult. In the military arena, the initiative rests with the aggressor—a role that we shun by nature and tradition—and our alliances are largely, therefore, defensive. In the paramilitary arenas of subversion, intimidation, and insurrection, an open and peaceful society is again at a disadvantage.

But there is one area in particular where the initiative can and has been ours—an area of strategic importance in which we have the capacity for a still greater effort—and that is in the area of economic policy.

The Marshall plan was an example of our initiative in this area. So were point 4 and OECD Organization for Economic Cooperation and Development] and the Alliance for Progress. This year's new long-range program to aid in the growth of the underdeveloped regions of the world and the unalined nations can bring us still further gains, not merely as a blow against communism but as a blow for freedom. Of equal if not greater importance is the stunning evolution of Western European economic unity from treaty to concrete reality. And it is the success of this still-growing movement which presents the West, at this time, with an historic opportunity to seize the initiative again. The United States is, in fact, required to do so for its own self-interest and progress.

Combining and Coordinating Our Strength

The Communist bloc, largely self-contained and isolated, represents an economic power already by some standards larger than that of Western Europe and gaining to some degree on the United States. But the combined output and purchasing power of the United States and Western Europe is more than twice as great as that of the entire Sino-Soviet bloc. Though we have only half as

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much population and far less than half as much territory, our coordinated economic strength will represent a powerful force for the maintenance and growth of freedom.

But will our strength be combined and coordinated—or divided and self-defeating? Will we work together on problems of trade, payments, and monetary reserves—or will our mutual strength be splintered by a network of tariff walls, exchange controls, and the pursuit of narrow self-interest in unrelated if not outright hostile policies on aid, trade, procurement, interest rates, and currency?

This is not a debate between "deficit" nations and "surplus" nations. It is not speculation over some "grand design" for the future. It is a hard, practical question for every member of the Western community—involving most immediately for this nation our policies in two mutually dependent areas: our balance of payments and our balance of trade

Our Balance of Payments

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While exaggerated fears can be harmful, we would not inspire needed confidence abroad by feigning satisfaction with our international balance-of-payments position. In essence, that position reflects the burden of our responsibilities as the free world's leader, the chief defender of freedom, and the major source of capital investment around the world. As the cost of these responsibilities grows, and is not offset by foreign expenditures here, the monetary deficit in our relations with the rest of the world grows, except to the extent that our trade surplus (of exports over imports) can increase with it. During the previous 3 years, as competition in international markets increased, in spite of the fact that we had a generous balance in our favor in trade, our trade surplus did not keep pace with our needs. At the same time, higher interest rates in other countries as well as speculation in the price of gold attracted some American short-term capital away from our shores. Our balance of payments was in deficit at a rate of nearly \$4 billion a year; and, with its consequences extended by a weakened confidence in the dollar, we suffered over that 3-year period a net loss of \$5 billion in our gold reserves.

The complete elimination of this problem is clearly some time off—but so are any ultimately dangerous consequences. The United States still

holds some 43 percent of the free world's monetary gold stock, a proportion far larger than our share of its trade and clearly sufficient to tide us over a temporary deficit period—and I emphasize the words "temporary deficit period"-while we mount an offensive to reverse these trends. Our exports and export surplus have both been rising. The net claims of Americans against foreigners have doubled during the last decade, and the annual increase in the value of our assets abroad-which now total nearly \$45 billion and must always be put in the balance sheet when we are considering the movement of gold dollarshas regularly exceeded our payments deficit. Contrary to the assertion that this nation has been living beyond its means abroad, we have been increasing those means instead.

This year, moreover, our wholesale prices have been steadier. In fact, in spite of recovery, our wholesale prices are a fraction less than they were in February, and in a very real sense, for the last 3 years, the United States has had generally stable prices. Confidence in the dollar has been upheld—the speculation fever against the dollar has ceased—the outflow of gold has been reduced from \$2 billion, in the 10 months before February 1961, to \$450 million in the last 10 months, and, due partly to the temporary decline in the imports that accompanied the recession, our general payments deficit in 1961 will be less than half of the 1960 deficit.

There is cause for concern, in short, but I do not believe that there is cause for alarm. We should be blind neither to our basic strengths nor to our basic problems. A long-term deficit requires long-term solutions, and we must not be panicked by setbacks of a short-run nature or the inevitable results of a reviving economy which has increased our imports and therefore leaves us in a less favorable position than we might have expected 2 or 3 months ago.

For negative, shortsighted remedies will do more to weaken confidence in the dollar than strengthen it; and this administration, therefore, during its term of office—and I repeat this and make it as a flat statement—has no intention of imposing exchange controls, devaluing the dollar, raising trade barriers, or choking off our economic recovery.

What we will do, and have been doing, is to take a series of positive steps to reduce our outpayments and to increase our receipts from abroad.

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Meeting Our Basic Commitments

First of all, we recognize, as already stressed, that this country cannot solve this problem alone. Our allies have a vital interest in its solution. Because, let me repeat, if it were not for our national security commitment abroad, which defends our own interests and that of our allies, the United States would have gold pouring in rather than pouring out. It is this commitment, which is extremely large and constant, which gives us our problem and should be so recognized. Our allies, therefore, have a vital interest in the solution. Thus we have sought to increase the share of the contribution which other industrialized states are making to the less developed world, and are seeking their assumption of a larger share of the cost of our joint defense requirements.

We lose \$3 billion a year because of our defense expenditures. It costs us hundreds of millions of dollars to keep our troops in Western Germany. We lose nearly \$300 million a year to France alone because of our defense expenditures in those areas. That \$3 billion, therefore, represents a charge in the interests of our national security, which is vitally important. That drain is serious. And it was because of that reason that President Eisenhower last year suggested the exceptional step of bringing back our dependents from Western Europe, which would have saved \$250 million. But \$3 billion represents the contribution which we make to our defense establishments abroad.

The reason why the British, as you know, have been considering withdrawing some of their troops from bases stationed around the world is because of their balance-of-payments difficulty. The reason that they have been reluctant to station additional troops in Western Germany has been because of the same reason. In other words, therefore, the matter which we are now discussing, of trade, involves not only our economic well-being but the basic commitments of the United States to dozens of countries around the world.

Unless our balance of trade, and our surplus, is sufficient, for example, to pay for this 3 billions of dollars, then we have no remedy but to start pulling back. So that for those who address themselves to this subject in the coming months, they must realize that it goes to the heart of our survival as well as our economic vitality.

We are working with foreign governments now and central banks on new techniques for dealing in foreign currencies; on coordinating our development aid, fiscal, debt management, monetary, and other policies through the OECD; on preparing a new standby lending authority for the International Monetary Fund; on the prepayment of our allies' long-term debts during this period of adverse trends; and on increasing the proportion of their own military procurement in the United States, a very important move, because of the arrangements that have been recently made, that is expected to cut our payments deficit by at least another half a billion dollars next year.

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Procurement Policy

Secondly, to hold our own outlays abroad to the absolute essentials, we have emphasized procurement in this country for our military aid and overseas defense and insisted upon it for three-quarters of our economic aid. This means that our economic aid to these countries does not go as far as it once did. The South Koreans can buy fertilizer from Japan at half the cost that they can buy it here in the United States, and much less shipping. But because we are determined to protect our gold, and therefore our dollar, we have imposed the Buy American policy, which means now that our losses because of economic aid abroad, our general program which amounts to about \$4 billion, is now down, as far as our dollar loss, to \$500 million, and we are hopeful that we can squeeze it even down further.

We have also substituted local currency expenditures for dollar expenditures to cover local costs wherever possible, and sought to discourage (by a change in the customs law) heavy expenditures abroad by tourists to supplement restrictions already placed on military families. I will say I was alarmed to hear the other day of a study in the Defense Department of this question of dependents abroad which indicated that those who had no dependents abroad spent more money abroad than those with dependents; so it indicates that for every solution there are additional problems.

Encouraging Movement of Funds to U.S.

Third, to encourage a greater movement of funds in this direction and to discourage transfers in these other directions, we have set up a new program to attract foreign visitors; secured passage of a tax exemption encouraging foreign central banks to invest their capital in U.S. securities; kept our own short-term interest rates high enough to avoid unnecessary outflows; and urged our allies to free their own private capital for investment here. At the same time we have directed the Treasury, for the first time in a generation, to buy and sell foreign currencies in the international exchange markets so as to strengthen its ability to offset unfavorable developments affecting the value of the dollar.

Removing Artificial Tax Preference

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Fourth, we have asked the Congress—and this is a matter which is controversial and to which this group has taken exception—we have asked the Congress to remove the artificial tax preference for American investment in highly developed countries with no capital shortage and the unjustifiable tax avoidance loopholes available to those Americans investing in so-called "tax haven" nations. We do not seek to penalize those who wish to invest their capital abroad. We are committed to the free flow of capital, but we also want to make sure that our tax laws do not encourage the outward movement of capital in a way which does not serve our national purpose.

I am aware that many of you will argue that the investment abroad of these funds will mean that ultimately and in the long run these moneys will be coming back. But how long a run? And how long can we afford, without taking every responsible step to try to bring this in balance in the short run? We can't wait till 1970, if we're losing two or three billion dollars a year. And we are now, for the first time, down to about \$16,900,000,000 in gold in the United States.

So that I want to emphasize that, however unsatisfactory you may feel it is, it is not being done to harass business but only because it represents one additional effort to try to bring the dollar into balance. And if we can increase our trade so that our surplus in trade is sufficient to make up these figures, then this kind of tax would be unnecessary.

Or, if this organization has some other plan or program—which does not affect our national security—which is more equitable, we will be glad to listen to that. But we are concerned that while capital moves freely, the tax policies do not stimulate it.

And I emphasize this in saying again that I do

not believe that exchange controls, based on the experience of the British and others and our unique role as the banker of the world, would be either workable or helpful. But the recent flow of our capital to nations already fully developed has been a serious drain, in the short run, on our current balance-of-payments position. The eventual return from that capital is no help to us today. And at a time when we are hard pressed to pay for the maintenance of our forces in Europe without unreasonably increasing our payments deficit and our gold outflow, I am sure you must realize that it makes no sense to be encouraging an exodus of capital through tax laws that were more appropriate at a time when Europe was deficient in capital. You probably are familiar with these figures: In 1960 the long-term outward flow of capital funds was \$1,700,000,000. The return was \$2,-300,000,000, and therefore you might argue that we are getting more back than we are sending out. But when those figures are broken down, we see that the outward investment into the developed countries, such as Western Europe, was \$1,500,-000,000, and the return was only \$1 billion, a loss therefore in dollars and potentially in gold of a half billion dollars to these countries, while in the underdeveloped countries, where we would like to see American capital be invested, we took in \$1,-300,000,000 and invested \$200,000,000.

So that I would say, gentlemen, that all of the proposals which we will have to put forward in the coming months and years to try to bring this into balance—and I will say that we are going to reduce without weakening our defenses our expenditures for military purchases from \$3 billion to \$2 billion—we do have to use every available means that we have. And if this organization has suggestions as to how it may be done, we want to hear them. The best way, of course, is by increasing our exports.

Increasing Exports

Fifth, and most important of all, we are seeking to increase our exports and thus our surplus of exports over imports. I shall discuss our opportunities, but it is worth while recounting now that we have embarked on a stepped-up campaign of export promotion and trade fair exhibits—increased our agricultural exports—and to indicate the kind of problems that we are going to have, we send to Western Europe in agricultural exports nearly \$2

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billion, which is one of our great dollar earners. We take in, in agricultural exports from Europe, only about \$80 million, a balance of trade for us of nearly \$1,920,000,000. And yet, as the Common Market begins to get more and more developed, with all of these countries beginning to face surplus problems, there isn't any doubt that one of our most important problems in maintaining this kind of dollar flow would be to maintain the free flow of our agricultural commodities into the Common Market. There's going to be no more difficult task than that, and therefore we have to recognize that this, too, may affect our balance of payments.

We have broadened the Export-Import Bank's loan guarantee system, created a new program of export credit insurance, and in a variety of ways sought to help you to keep American prices competitive. This requires-if we are to avoid the inflation that will price our goods out of the world markets-price and wage restraint by both industry and labor and responsible budget policies by the Government. It requires—if we are to offer modern products efficiently produced at a low cost-a higher rate of investment in new equipment, encouraged by the fullest use of existing capacity in a strong recovery, by the investment tax credit now pending before the House Ways and Means Committee, and by the depreciation reform now under study and already put into effect on textile machinery.

This organization has taken a position against our tax credit, and the reason is that you do not feel it is sufficient and you support a much more general overhaul of our depreciation. I support that, too, but our tax credit will cost \$1,800,000,000 in our revenue. We have suggested-and I know this has been unpopular-certain taxes to make up that revenue, because quite obviously we cannot carry out a tax reduction, in these critical times, with our budget problems as difficult as they are. Therefore, while we would like, under ideal conditions, and had hoped, for example, to have a surplus this year before our additional expenditures for defense in July, it is very difficult for us to send up a broad tax depreciation scheme which might cost \$3 billion with the expectation that other tax reductions would be added to it, at a time when we balance our budget with the greatest

So that we are not unsympathetic, and I can

think of very few tax changes that would be more useful to the country in stimulating employment and keeping us competitive, particularly with Western Europe. And the only reason we have not gone further in it, and the only reason we have limited ourselves to the proposal which is now before the House Ways and Means Committee, is because we do not have the available revenue to provide for a tax reduction this year.

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So that I am hopeful, in making your position known to the Congress this year, that while you will continue to commit yourselves to depreciation changes—and as I say, we have made some progress in textiles—you will also recognize what our budgetary problems are and work with us in attempting to get the best arrangements we can at this time and plan for more satisfactory arrangements in the future.

Responsibility of Business Community

In short, achieving a healthy equilibrium in our international accounts depends in part upon the cooperation of our allies, in part upon action by the Congress, in part upon the self-discipline exercised by this administration in its executive and budgetary policies (and here I repeat my intention to submit a balanced budget in January), and in part upon you and other members of the business community. (Labor, too, has its responsibility for price stability, and I shall stress this tomorrow in addressing the AFL-CIO.) I recognize that your efforts will be governed in part by the kind of atmosphere the Government can help to create. That is why we intend to submit our balanced budget. The Government must not be demanding more from the savings of the country, nor draining more from the available supplies of credit, when the national interest demands a priority for productive, creative investment-not only to spur our growth at home but to make sure that we can sell, and sell effectively, in markets abroad.

But your own responsibility is great, and there are three things in particular that you can do: Be competitive, through lower costs and prices and better products and productivity. Be exportminded. In a very real sense, the British used to say they exported or died. We are going to meet our commitments. We've got to export. And we have to increase our exports, and however impressive it has been in the past it must be better

in the future for the security of this country. And finally, be calm, in the sense of refraining from talk which really does not represent the facts and which causes a concern about where we are going abroad. It is my hope that, when we submit our balanced budget in January, those who look at our fiscal situation from abroad and make their judgment will recognize that we are in control, that we are moving ahead, and that the United States is a good bet.

All of us must share in this effort, for this in part, as I have said, is a part of the national security. I don't want the United States pulling troops home because we are unable to meet our

problems another way.

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But we can be calm because our basic international position is strong: This year's deficit will be lower than last year's, our gold stores are large and the outflow is easing, we are going to make progress next year in diminishing it still further, we will submit a balanced budget, we are not undergoing a damaging inflation. can, over the next few years, offset with the help of our allies a billion dollars, as I have said, of our \$3-billion overseas defense outlays; reduce, with the help of the Congress, the money which goes because of tax advantages; cut back still further that portion of our foreign aid procurement which is not already spent here; and take the other steps I have mentioned, including an increase in our exports, for which all the additional tools we need are well within our reach.

Our Balance of Trade

One of those tools, one which we urgently need for our own well-being, is a new trade and tariff policy. The Reciprocal Trade Agreements Act expires in June of next year. It must not simply be renewed—it must be replaced. If the West is to take the initiative in the economic arena, if the United States is to keep pace with the revolutionary changes which are taking place throughout the world, if our exports are to retain and expand their position in the world market, then we need a new and bold instrument of American trade policy.

For the world of trade is no longer the same. Some 90 percent of the free world's industrial production may soon be concentrated in two great markets—the United States of America and an expanded European Common Market. Our own

example—of 50 States without a trade barrier behind a common external tariff—helped to inspire the Common Market. Our support, ever since the close of World War II, has been thrown behind greater European unity. For we recognized long ago that such unity would produce a Europe in which the ancient rivalries which resulted in two world wars, for us as well as for them, could rest in peace—a Europe in which the strength and the destiny of Germany would be inextricably tied with the West—and a Europe no longer dependent upon us but, on the contrary, strong enough to share in full partnership with us the responsibilities and initiatives of the free world.

Now this new "house of Europe" that we sought so long, under different administrations, is actually rising, and it means vast new changes in our outlook as well. With the accession of the United Kingdom and other European nations to the Common Market, they will have almost twice as many people as we do. It will cover nations whose economies have been growing twice as fast as ours, and it will represent an area with a purchasing power which some day will rival our own. It could be-it should be-our most reliable and profitable customer. Its consumer demands are growing, particularly for the type of goods that we produce best, for American goods not previously sold and sometimes not even known in European markets today. It is an historic meeting of need and opportunity; at the very time that we urgently need to increase our exports, to protect our balance of payments, and to pay for our troops abroad, a vast new market is rising across the Atlantic.

Need for New Trade Policy

If, however, the United States is to enjoy this opportunity, it must have the means to persuade the Common Market to reduce external tariffs to a level which permits our products to enter on a truly competitive basis. That is why a trade policy adequate to deal with a large number of small states is no longer adequate. For almost 30 years the Reciprocal Trade Agreements Act has strengthened our foreign trade policy. But today the approaches and procedures provided for in that act are totally irrelevant to the problems and opportunities that we confront. Its vitality is gone—a fresh approach is essential—and the

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longer we postpone its replacement, the more painful that step will be when it finally happens.

For this is no longer a matter of local economic interests but of high national policy. We can no longer haggle over item-by-item reductions with our principal trading partners but must adjust our trading tools to keep pace with world trading patterns-and the EEC [European Economic Community] cannot bargain effectively on an item-by-item basis.

I am proposing, in short, a new American trade initiative which will make it possible for the economic potential of these two great markets to be harnessed together in a team capable of pulling the full weight of our common military, economic, and political aspirations. And I do not underrate at all the difficulties that we will have in developing this initiative.

I am not proposing—nor is it either necessary or desirable—that we join the Common Market, alter our concepts of political sovereignty, establish a "rich man's" trading community, abandon our traditional most-favored-nation policy, create an Atlantic free-trade area, or impair in any way our close economic ties with Canada, Japan, and the rest of the free world. And this, of course, is a problem of the greatest importance to us also. We do not want Japan left out of this great market, or Latin America, which has depended so much on the European markets it may find it now increasingly difficult because of competition from Africa to sell in Europe-which could mean serious trouble for them and therefore for us in the long run, both political as well as economic.

I am not proposing—nor is it either necessary or desirable—that in setting new policies on imports we do away altogether with our traditional safeguards and institutions. I believe we can provide more meaningful concepts of injury and relief and far speedier proceedings. We can use tariffs to cushion adjustment instead of using them only to shut off competition. And the Federal Government can aid that process of adjustment through a program I shall discuss further tomorrow-not a welfare program, or a permanent subsidy, but a means of permitting the traditional American forces of adaptability and initiative to substitute progress for injury.

For obviously our imports will also increase not as much as our exports, but they will increase.

And we need those imports if other nations are to have the money to buy our exports and the incentive to lower their own tariff barriers. Because nobody is going to lower their barriers unless the United States makes a bargain with them which they feel to be in their own economic interest. We need those imports to give our consumers a wider choice of goods at competitive prices. We need those imports to give our industries and Defense Establishment the raw materials they require at prices they can afford-and to keep a healthy pressure on our own producers and workers to improve efficiency, develop better products, and avoid the inflation that could price us out of markets vital to our own prosperity.

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Finally, let me make it clear that I am not proposing a unilateral lowering of our trade barriers. What I am proposing is a joint step on both sides of the Atlantic, aimed at benefiting not only the exporters of the countries concerned but the economies of all of the countries of the free world. Led by the two great Common Markets of the Atlantic, trade barriers in all the industrial nations must be brought down. Surely it will be said that the bold vision which produced the EEC will fall short if it merely transfers European protectionism from the national to the continental level.

Benefits to Entire Economy

But if we can obtain from the Congress, and successfully use in negotiations, sufficient bargaining power to lower Common Market restrictions against our goods, every segment of the American economy will benefit. There are relatively few members of the business community who do not or could not transport, distribute, or process either exports or imports. There are millions of American workers whose jobs depend on the sale of our goods abroad-making industrial sewing machines, or trucks, or aircraft parts, or chemicals, or equipment for oil fields or mining or construction. They may process lubricants or resin, they may dig coal or plant cotton. In fact, the average American farmer today depends on foreign markets to sell the crops grown on one out of every six acres he plants-in wheat, cotton, rice, and tobacco, to name but a few examples. Our consumers, as mentioned, will benefit most of all.

But if American industry cannot increase its sales to the Common Market and increase this nation's surplus of exports over imports, our interna-

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tional payments position and our commitments to the defense of freedom will be endangered.

If American businessmen cannot increase or even maintain their exports to the Common Market, they will surely step up their investment in new American-owned plants behind those tariff walls so they can compete on an equal basisthereby taking capital away from us, as well as jobs from our shores, and worsening still further our balance-of-payments position.

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If American industry cannot increase its outlets in the Common Market, our own expansion will be stifled, the growth target of 50 percent in the sixties, adopted last month by the 20 nations of OECD for their combined gross national product, will not be reached, and our business community will lack the incentives to lower prices and improve technology which greater competition would otherwise inspire. The industries which would benefit the most from increased trade are our most efficient; even though in many cases they pay our highest wages, their goods can compete with the goods of any other nation. Those who would benefit the least, and are unwilling to adjust to competition, are standing in the way, as the NAM Economic Advisory Committee pointed out last year, of greater growth and a higher standard of living. They are endangering the profits and jobs of others, our efforts against inflation, our balanceof-payments position, and in the long run their own economic well-being because they will suffer from competition in the United States inevitably, if not from abroad-for, in order to avoid exertion, they accept paralysis.

Capitalism on Trial

Finally, let me add, if we cannot increase our sales abroad, we will diminish our stature in the free world. Economic isolation and political leadership are wholly incompatible. The United Kingdom, faced with even more serious problems in her efforts to achieve both higher growth and reasonable balance of payments, is moving with boldness, welcoming, in the Prime Minister's words, "the brisk shower of competition." We cannot do less. For if the nations of the West can weld together on these problems a common program of action as extraordinary in economic history as NATO was unprecedented in military history, the long-range Communist aim of dividing and encircling us all is doomed to failure.

In every sense of the word, therefore, capitalism is on trial as we debate these issues. For many years, in many lands, we have boasted of the virtues of the marketplace under free competitive enterprise, of America's ability to compete and sell, of the vitality of our system in keeping abreast with the times. Now the world will see whether we mean it or not—whether America will remain the foremost economic power in the world-whether we will evacuate the field of power before a shot is fired, or go forth to meet new risks and tests of our ability.

The hour of decision has arrived. We cannot afford to "wait and see what happens" while the tide of events sweeps over and beyond us. We must use time as a tool, not as a couch. We must carve out our own destiny. This is what Americans have always done, and this, I have every confidence, is what we will continue to do in each new trial and opportunity that lies ahead.

ADDRESS BEFORE AFL-CIO²

Mr. Meany [George Meany, president, AFL-CIO], clergy, Governor [Farris] Bryant, gentlemen, and ladies: It's warmer here today than it was yesterday. I want to express my pleasure at this invitation. As one whose work and continuity of employment has depended in part upon the union movement, I want to say that I have been on the job, training for about 11 months, and feel that I have some seniority rights in the matter.

I am delighted to be here with you and with Secretary of Labor Arthur Goldberg. I was up in New York stressing physical fitness, and in line with that Arthur went over with a group to Switzerland to climb some of the mountains there. They all got up about 5, and he was in bed—got up to join them later—and when they all came back at 4 o'clock in the afternoon, he didn't come back with them. They sent out a search party, and there was no sign of him that afternoon or night. The next day the Red Cross went out, and they went around calling, "Goldberg-Goldbergit's the Red Cross." And this voice came down from the mountain, "I gave at the office."

Those are liberties you can take with members of the Cabinet, but I want to say it is a pleasure

^{&#}x27;Made at Miami, Fla., on Dec. 7 (White House press release; as-delivered text).

to be here on this important anniversary for all of us, the 20th anniversary of Pearl Harbor.

I suppose, really, the only two dates that most people remember where they were are Pearl Harbor and the death of President Franklin Roosevelt. We face entirely different challenges on this Pearl Harbor. In many ways the challenges are more serious, and in a sense long-reaching, because I don't think that any of us had any doubt in those days that the United States would survive and prevail and our strength increase.

Importance of American Labor Movement

Now we are face to face in a most critical time with challenges all around the world, and you in the labor movement bear a heavy responsibility. Occasionally I read articles by those who say that the labor movement has fallen into dark days. I don't believe that, and I would be very distressed if it were true.

One of the great qualities about the United States, which I don't think people realize who are not in the labor movement, is what a great asset for freedom the American labor movement represents, not only here but all around the world. It is no accident that Communists concentrate their attention on the trade union movement. They know that people—those who work are people who are frequently left out, that in many areas of the world they have no one to speak for them, and the Communists mislead them and say that they will protect their rights. So they go along.

But in the United States, because we have had a strong, free labor movement, the working people of this country have not felt that they were left out. And as long as the labor movement is strong and as long as it is committed to freedom, then I think that freedom in this country is stronger. So I would hope that every American, whether he was on one side of the bargaining table or the other, or whether he was in a wholly different sphere of life, would recognize that the strength of a free American labor movement is vital to the maintenance of freedom in this country and all around the world.

Strong Labor Movement Essential to Democracy

And I am delighted that there are here today, I understand, nearly 150 trade union leaders from nearly 32 countries around the world. I believe—

and I say this as President—that one of the great assets that this country has is the influence which this labor movement can promote around the world in demonstrating what a free trade union can do.

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I hope that they will go back from this meeting recognizing that in the long run a strong labor movement is essential to the maintenance of democracy in their country. It is no accident that there hasn't been a strike in the Soviet Union for 30, 35, or 40 years. The Communists, who in Latin America, in Africa, or Asia say that they represent the people, cannot possibly-under any rule of reason or debate-say that a labor movement is free when it is not able to express its rights, not only in relationship to the employer but also to speak out and recognize the limitations on governmental power. We are not omniscient-we are not all-powerful—this is a free society, and management and labor, and the farmer and the citizen have their rights. We did not give them their rights in government. And I hope that those who go from this hall to Latin America, to Europe, to Africa, will recognize that we believe in freedom and in progress in this country, that we believe that freedom is not an end in itself, but we believe that freedom can bring material abundance and prosperity. And I want you to know that I consider this meeting and the house of labor vital to the interests of this country and the cause of freedom in the coming days.

What unites labor, what unites this country is far more important than those things on which we may disagree. So, gentlemen and ladies, you are not only leaders of your unions but you occupy a position of responsibility as citizens of the United States; and therefore I felt it most appropriate to come here today and talk with you.

Cooperation of American Labor

First, I want to express my appreciation to you for several things. For example, I appreciate the effort that those of you who represent the interests of men and women who work at our missile plants have made, the fact that you have given and that the men and women who work there have lived up to the no-strike pledge at our missile and space sites has made an appreciable difference in the progress that we are making in these areas—and the country appreciates the efforts you are making.

Secondly, we have for the first time a Presidential advisory committee on labor-management

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policy, which for once did not break up on the passage of the Wagner Act in 1935 but instead meets month by month in an attempt to work out and develop economic policy which will permit this country to go forward under conditions of full employment. And I want to thank you for the participation you have given that.

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Third, as I said, I want to thank the labor movement for what it is doing abroad in strengthening the free labor movement, and I urge you to redouble your efforts. And as I have said, the freedom of these countries rests in many parts on the labor movement. We do not want to leave the people of some countries a choice between placing their destiny in the hands of a few who hold in their hands most of the property, and on the other side the Communist movement—we do not give them that choice. We want them to have the instruments of freedom to protect themselves and provide for progress in their country, and a strong, free labor movement can do it—and I hope you will concentrate your attention in the next 12 months in that area—in Latin America, and all around the world.

The fact is that the head of the Congo—[Cyrille] Adoula—who has been a strong figure for freedom, came out of the labor movement, and that is happening in country after country, and this is a great opportunity and responsibility for all of us, to continue to work together.

And finally I want to take this opportunity to express my thanks to the AFL-CIO for the support that it gave in the passage of our legislative program in the long session of the Congress. We did not always agree on every tactic, we may not have achieved every goal, but we can take some satisfaction in the fact that we did make progress toward a \$1.25 minimum wage, that we did expand the coverage for the first time in 20 years, that we did pass the best Housing Act since 1949, that we did finally after two Presidential vetoes in the last 4 years pass a bill providing assistance to those areas suffering from chronic unemployment, that we did pass a long-range water pollution bill, that we did pass increased Social Security benefits, a lowering of the retirement age in Social Security from 65 to 62 for men, temporary unemployment compensation, and aid to dependent children.

And we are coming back in January, and we are going to start again.

Increasing Employment

The gross national product has climbed since January from \$500 billion to an estimated \$540 billion in the last quarter, and it is a pleasure for me to say that the November employment figures received this morning show not only 2 million more people than were working in February but we have now an all-time high for November, 67,349,000 people working. But more importantly, unlike the usual seasonal run in November, which ordinarily provides for an increase in unemployment of about a half a million, we have now brought the figure for the first time below the 7 percent where it has hovered down to 6.1 percent, and we're going to have to get it lower.

I would not claim we have achieved full recovery or the permanently high growth rate of which we are capable. Since the recession of 1958, from which we only partially recovered in going into the recession of 1960, too many men and women have been idle for too long a time. And our first concern must still be with those unable to get work. Unemployment compensation must be placed on a permanent, rational basis of nationwide standards, and even more importantly those who are older and retired must be permitted under a system of Social Security to get assistance and relief from the staggering cost of their medical bills.

The time has come in the next session of the Congress to face the fact that our elder citizens do need these benefits, that their needs cannot be adequately met in any other way, and that every Member of the Congress should have the opportunity to go on the record, up or down, on this question—and I believe if it comes to the floor, as I believe it must, they are going to vote it up and through before they adjourn in July or August.

Problems of Young People

Now there are six areas that I believe that we need to give our attention to, if the manpower budget is to be balanced. First, we must give special attention to the problems of our younger people. Dr. [James B.] Conant's recent book [Slums and Suburbs] only highlighted a fact which all of you are familiar with, and that is the problem of those who drop out of school before they have finished because of hardships in

their home, inadequate motivation or counseling, or whatever it may be, and then drift without being able to find a decent job. And this falls particularly heavily upon the young men and women who are in our minority groups.

In addition to that, 26 million young people will be crowding into the labor market in the next 10 years. This can be a tremendous asset, because we have many tasks that require their talent, but today there are 1 million young Americans under the age of 25 who are out of school and out of work. Millions of others leave school early, destined to fall for life into a pattern of being untrained, unskilled, and frequently unemployed. It is for this reason that I have asked the Congress to pass a Youth Employment Opportunities Act, to guide these hands so that they can make a life for themselves.

Equally important, if our young people are to be well trained—and skilled labor is going to be needed in the next years—and if they are to be inspired to finish their studies, the Federal Government must meet its responsibility in the field of education. I'm not satisfied if my particular community has a good school. I want to make sure that every child in this country has an adequate opportunity for a good education.

Thomas Jefferson once said, "If you expect a country to be ignorant and free, you expect what never was and never will be." It is not enough that our own hometown have a good school; we want the United States as a country to be among the best educated in the world. And I believe that we must invest in our youth.

Retraining the Unemployed

Secondly, we need a program of retraining our unemployed workers. All of you who live so close to this problem know what happens when technology changes and industries move out and men are left. And I have seen it in my own State of Massachusetts, where textile workers are unemployed, unable to find work, even with new electronic plants going up all around them. We want to make sure that our workers are able to take advantage of the new jobs that must inevitably come as technology changes in the 1960's. And I believe, therefore, that retraining deserves the attention of this Congress in the coming days.

Fair Opportunity for Minority Groups

And the third group requiring our attention consists of our minority citizens. All of you know the statistics of those who are first discharged, and the last to be rehired too often are among those who are members of our minority groups. We want everyone to have a chance, regardless of their race or color, to have an opportunity to make a life for themselves and their families, to get a decent education so that they have a fair chance to compete, and then be judged on what's in here and not on what's outside. And the American labor movement has been identified with this cause, and I know that you will be in the future.

And we are making a great effort to make sure that all those who secure Federal contracts—and there are billions of dollars spent each year by the Federal Government—will give fair opportunity to all of our citizens to participate in that work.

Plant Reinvestment

Fourth, we want to provide opportunities for plant reinvestment. One of the matters which is of concern in maintaining our economy now is the fact that we do not have as much reinvestment in our plants as we did, for example, in 1955, 6, and 7; and we want this economy and this rise to be continuous, and I believe we have to give as much incentive as is possible to provide reinvestment in plants, which makes work and will keep our economy moving ahead.

And therefore I have suggested a tax credit, which I am hopeful—the American labor movement has not placed on its list of those matters yet that it has supported—that it will consider this proposal as a method of stimulating the economy, so that this recovery does not run out of gas in 12 months or 18 months from now—as the 1958—1959 recovery—after the recession of 1958—ran out in 1960.

Grants-in-Aid for Public Works

Fifth, to add to our arsenals of built-in stabilizers so we can keep our economy moving ahead, it is my intention to ask the Congress at its next session for standby authority somewhat along the lines of the bill introduced by Senator [Joseph S.] Clark of Pennsylvania to make grants-in-aid to

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communities for needed public works when our unemployment begins to mount and our economy to slow down.

Stimulating Trade Abroad

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Sixth and finally, we must expand our job opportunities by stimulating our trade abroad. I know that this is a matter to which the labor movement has given a good deal of attention. Mr. Meany made an outstanding speech on this matter several weeks ago, and it is a matter which is of concern to this administration. I am sure you wonder, perhaps, why we are placing so much emphasis on it, and I would like to say why we are, very briefly.

The first is, this country must maintain a favorable balance of trade or suffer severely from the point of view of our national security. We sell abroad now nearly \$5 billion more than we import, but unfortunately that \$5 billion goes abroad in order to maintain the national security requirements of the United States.

We spend \$3 billion of that in order to keep our troops overseas. It costs us nearly \$700 to \$800 million to keep our divisions in Western Germany and \$300 million to keep our troop establishments in France. And what is true in France and Germany, which are outposts of our commitments, is true in other areas.

So that if we are not able to maintain a favorable balance of trade, then of course we will have to do as the British have had to do, which is begin to bring our troops back and lay the way open for other actions. So that this is a matter which involves very greatly our security, and unless you believe that the United States should retreat to our own hemisphere and forget our commitments abroad, then you can share with me my concern about what will happen if that balance of trade begins to drop.

European Common Market

Now the problems that we face have been intensified by the development of the Common Market. This is our best market for manufactured products. What I am concerned about is that we shall be able to keep moving our trade into those areas; otherwise what we will find is that American capital which cannot place its goods in that market will decide, as they are doing now, to

build their plants in Western Europe, and then they hire Western European workers—and you suffer, and the country suffers, and the balance of payments suffers.

So this is a matter of the greatest importance to you and in fact to all Americans. It is, for example, of the greatest importance to American farmers. They sell \$2 billion of agricultural commodities to Western Europe. We bring in \$80 million of agricultural commodities from Western Europe. In other words, we make almost \$2 billion of our foreign exchange from that sale of agricultural commodities, and yet Western Europe has great agricultural resources which are increasing and we are going to find it increasingly difficult unless we are able to negotiate from a position of strength with them. So this matter is important.

The purpose of this discussion is to increase employment. The purpose of this discussion is to strengthen the United States, and it is a matter which deserves our most profound attention. Are we going to export our goods and our crops, or are we going to export our capital? That's the question that we are now facing.

Exporting Capital to Underdeveloped Areas

And I know that those of you who have been concerned about this know this to be a major prob-Last year-1960-we invested abroad \$1,700,000,000, and we took in from our investments abroad \$2,300,000,000, which sounded like it was a pretty good exchange. But if you analyze these figures you will see that we took in from the underdeveloped world, which needs capital-we took in \$1,300,000,000 and we sent out in capital for investment \$200,000,000. And yet this is the area that needs our investment. While in Western Europe we sent out \$1,500,000,000 and took in \$1,000,000,000, so that if this trend should continue and more and more Western Europe became the object of American investment, it affects us all and affects the people who work with you.

We are attempting to repeal those tax privileges which make it particularly attractive for American capital to invest in Western Europe. We passed laws in the days of the Marshall plan when we wanted American capital over there, and as the result of that there are provisions on the tax book which make it good business to go over

there. Now we want it all to be fair, and we have stated we are not putting in exchange controls, which we will not; but we recommended in January the passage of a bill which would lessen the tax privileges of investing in Western Europe and which would have given us \$250 million in revenue and in balance of payments.

The tax privileges or the attractions should be in the underdeveloped world, where we have been taking capital out rather than putting it in, and not in Western Europe, where the capital is sufficient and which does not serve that great national purpose. So this is a matter of concern for all of us, and it is a matter which we must consider

in the coming months.

The Common Market is a tremendous market. It has more people than we do. Its rate of growth is twice ours. Its income is about three-fifths of ours and may some day be equal to ours. This can be a great asset not only to them but to us—a great strength tying the United States, Western Europe, Latin America, and Japan together as a great area of freedom. And I think that it represents one of the most hopeful signs since 1945. It is one place where the free world can be on the offensive, and I am anxious that the United States play its proper role to protect the interests of our people and to advance the cause of freedom. And I ask the careful consideration of the American labor movement in this area.

Protection for Industries Affected by Imports

One of the problems which we have is to recognize that those who have been affected by imports have received no protection at all for a number of years from the United States Government. When I was a Senator in 1954, I introduced legislation to provide assistance to those industries which are hard hit by imports. I am going to recommend in January a program which I hope the Congress will pass, which will provide a recognition of the national responsibility in the period of transition for those industries and people who may be adversely affected.

I am optimistic about the future of this country. This is a great country, with an energetic people, and I believe over the long period that the people of this country and of the world really want freedom and wish to solve their own lives and their own destiny. I am hopeful that we can be associated with that movement. I am hopeful that

you will continue to meet your responsibilities to your people, as well as to the country. I hope that we can maintain a viable economy here with full employment. I am hopeful we can be competitive here and around the world. I am hopeful that management and labor will recognize their responsibility to permit us to compete, that those of you who are in the area of wage negotiation will recognize the desirability of our maintaining as stable prices as possible, and that the area of productivity and stable prices—that your negotiations will take adequate calculation and account of this need for us to maintain a balance of trade in our favor. In the long run it's in the interests of your own workers.

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Let me repeat: If we cannot maintain the balance of trade in our favor, which it now is, of \$5 billion, and indeed increase it, then this country is going to face most serious problems. In the last 3 years, even though the balance of trade in our favor has been \$5 billion, we have lost \$5 billion in gold; and if this trend should go on year after year, then the United States, as I have said, would have to make adjustments which would be extremely adverse to the cause of freedom around the world.

The solution rests with increasing our export trade, with remaining competitive, with our businesses selling abroad, finding new markets, and keeping our people working at home and around the world.

And it is a fact that the six countries of the Common Market, which faced the problems that we now face, have had in the last 4 years full employment and an economic growth twice ours. Even a country which faced staggering economic problems a decade ago—Italy—has been steadily building its gold balance, cutting down its unemployment, and moving ahead twice what we have over the last 4 years.

So what I am talking about is an opportunity, not a burden. This is a chance to move the United States forward in the 1960's, not only in the economic sphere but also to make a contribution to the cause of freedom.

And I come to Miami today and ask your help, as on other occasions other Presidents of the United States, stretching back to the time of Woodrow Wilson and Roosevelt and Truman, have come to the A.F. of L. and the CIO—and each time this organization has said "Yes."

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Secretary Rusk's News Conference of December 8

Press release 865 dated December 9

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Secretary Rusk: The last time we met, I discussed with you the ruthless campaign by which the Communist regime in North Viet-Nam has been trying to conquer South Viet-Nam.¹ I said then that this campaign posed a threat to the independence and territorial integrity of a free country and its people and was a serious threat to the peace. I want to underline that earlier statement.

We are releasing today a report on what is happening in Viet-Nam. It documents the elaborate program of subversion, terror, and armed infiltration carried out under the direction of the authorities in Hanoi.

It points out—with extensive documentation for the world to see-the methods by which North Viet-Nam has introduced its espionage agents, military personnel, weapons, and supplies into the south in recent years. This report shows that this already considerable effort by North Viet-Nam has been accelerated sharply in recent months. Kidnapings, assassinations of public officials, and other forms of terrorism have increased. number and size of armed engagements have grown. The pace of infiltration from the north, across the demilitarized zone, through Laos, and by sea, has been stepped up. These documents show clearly that the North Vietnamese Communists have repeatedly violated the Geneva Accords.2 I believe that this report makes it clear that South Viet-Nam needs additional help in defending itself.

The Government of South Viet-Nam realizes this and has welcomed support from the non-Communist world. The United States is now taking

Department Releases Report on Threat to Peace in South Viet-Nam

The Department of State announced on December 8 (press release 858 dated December 7) that it had released a two-part report entitled A Threat to the Peace: North Viet-Nam's Effort To Conquer South Viet-Nam (Department of State publication 7308). Parts I and II may be purchased from the Supering Office, Washington 25, D.C., for 25 cents and 55 cents, respectively.

steps to help South Viet-Nam develop the military, economic, and social strength needed to preserve its national integrity. It is our hope that other nations will join us in providing assistance to South Viet-Nam until such time as the Communists have halted their acts of violence and terror.

U.S. Support for U.N. Program in the Congo

I should like to reiterate United States support for the current program of Secretary-General U Thant to restore freedom of movement for United Nations forces in the Katanga and to implement its mandate there. The United States has in the past and will in the future consistently work for the reintegration of the Province of Katanga by reconciliation.³ The Secretary-General has made clear his readiness to help in the reconciliation. The United States deeply regrets that elements in the Katanga have closen to resort to violence once more. As you know the United States is providing upon request unarrand transport aircraft for the needs of the United States Congo operation. Transport aircraft already available

¹ For a transcript of the Secretary's news conference of Nov. 17, see BULLETIN of Dec. 4, 1961, p. 918.

² For texts, see American Foreign Policy, 1950-1955: Basic Documents, vol. I, Department of State publication 6446, p. 750.

³ For statements made by U.S. Representative Adlai E. Stevenson in the Security Council Nov. 16, 21, and 24, see p. 1065

to the United Nations for their international movement of troops and supplies to the Congo are now also being used within the Congo to carry troops and supplies in support of United Nations operations there. Our aim is the consolidation of the country under a stable government which will be able to pursue freely the true national interests of the Congolese.

Premier [Cyrille] Adoula is a man of intelligence, moderation, and nationwide stature and should be able to achieve this task. He has made clear his determination to keep his country free from control from any foreign quarter. To succeed in all of this, he has to overcome secessionists, including the secession of Katanga, and the threat of extremist politicians, and the threat of economic stagnation. If Katanga is not peacefully reintegrated, the Congo will face civil war and anarchy and be open to Communist penetration.

It is our policy to help the Congolese people to resolve these difficulties and to give the United Nations, whose aid they have sought, our best support to achieve its mandate. We regret the loss of life caused by renewed fighting against the U.N., but we believe that the U.N. must not be prevented from fulfilling its mandate. We hope that the leaders of Katanga will recognize that their present path leads nowhere and that the Katanga will soon be reconciled with the rest of the Congolese people.

Some of you may have seen the statement made in a broadcast this morning by Mr. Linner [Sture C. Linner, Officer in Charge of U.N. Operations in the Congo] in the Congo, in which he pointed out that the United Nations operations there are not being conducted to impose a political solution. The primary mission of the U.N. forces is to protect themselves, to maintain their communications, and to provide a situation in which the political processes among Congolese leaders can move on to a responsible and peaceful settlement. We fully subscribe to the U.N. program in that regard.

Meetings at Paris

I shall be leaving this weekend for meetings in Paris. First, with the foreign ministers of the United Kingdom, France, and the Federal Republic of Germany, and then for the annual ministerrial meeting of the NATO Council, where we shall be joined by not only the foreign ministers but ministers of defense and of finance.

Secretary Rusk To Visit Spain

Press release 857 dated December 7

The Minister of Foreign Affairs of Spain, Señor Fernando María Castiella y Maiz, has invited Secretary Rusk to visit Madrid and lunch with him on Mr. Rusk's way back to Washington from the NATO Ministerial Meeting at Paris. The Secretary of State has accepted with pleasure Señor Castiella's invitation and will visit Madrid on December 16. He will also pay a courtesy call on General Franco. Mr. Rusk will return directly to Washington the same day.

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We shall, of course, in the foreign ministers' meeting, be talking about the German problem. I want to underline the importance of keeping our eyes on the main ball as we think about the German problem. That there are margins of difference among the Western governments as to how, specifically, we might proceed to deal with this question is a matter of general knowledge. But the differences which really count are those which exist between Moscow and the West. That is the heart of the matter. That is the cause of the crisis. That is the problem to be resolved.

The West is united on an understanding and appreciation of the vital interests that are involved, but the problem of peaceful settlement is whether the Soviet Union will recognize and respect these long-established rights and vital interests in that situation.

At the NATO meeting we anticipate that a number of things will be discussed which will maintain the increasing momentum of the Atlantic Community, in its economic development, in its growing military strength, and in the strengthening ties between the Atlantic Community and the rest of the free world. We feel that the NATO and the Atlantic Community are on the move and that the momentum of this movement should be maintained.

Situation in Dominican Republic

I regret that it is not possible to announce today that we have received information that the situation in the Dominican Republic has reached a peaceful settlement. There was some hope yesterday that the leaders of that country might have been able to find a basis for agreement.

I think those of us who are at some distance from that situation might well pause and think compassionately about the problem which those people face. It is not easy to set aside the fears and the suspicions and the hatreds which have developed over a period of decades of violence and overnight to establish a going constitutional government on a broad basis of consent.

I must say I have been impressed with the nerveracking and sustained effort which has been made in recent weeks by the leadership of the Dominican Republic on all sides to try to find an answer, but after many years it is too much to suppose that this can come easily. But we remain hopeful that those leaders will be able to find a basis on which the Dominican Republic can take up its great national tasks once again and move back into its traditional role in the Organization of American States and move on to achieve the aspirations which we know are there among its people.

Assistance to South Viet-Nam

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Q. Mr. Secretary, to go back to your opening statement on Viet-Nam, your statement, like the report which is being issued today, gives no guidelines at all as to what help the United States would like to see other nations provide or the mechanism by which they might provide it. Can you be more specific in what you have in mind?

Now I am ready for some questions.

A. Well, I think there are a number of ways in which other nations can help. There is first, of course, the sense of political support for the Government of Viet-Nam as it meets this serious threat from the north. Then there are many tasks which are present in South Viet-Nam on which assistance is needed. They are economic assistance, technical assistance, administrative help, and measures of the sort which we have in mind to improve the effectiveness of the South Vietnamese armed forces. Improvements in their mobility, their communications, and their equipment, and things of that sort.

I would think that the mechanisms are those which are already established in South Viet-Nam, and I know that the South Vietnamese Government has had discussions and is having discussions with others on this particular point.

Q. Mr. Secretary, in that same connection, how do you regard the statements of Communist China

that they will not remain indifferent to United States assistance to South Viet-Nam? Do you feel that this might lead to an escalation of war preparations?

A. Well, I think, as our report brings out, the Communist powers themselves have not been indifferent to South Viet-Nam for the last several years. One of the problems is that they have not used their influence to insist upon full compliance on the part of the other side with the Geneva Accords. I don't myself believe that those expressions from Peiping can be treated as a shield behind which North Viet-Nam takes over South Viet-Nam.

U.N. Operations in the Congo

Q. Mr. Secretary, do you believe that Great Britain fully understands that our support of the current operation by the U.N. in Katanga does not constitute imposition of a political solution by force of arms?

A. Following consultations in New York with the Secretary-General and following clarification of the situation by U.N. representatives on the ground, I think there is general understanding that it is not the intention of the United Nations to, shall we say, conquer Katanga or to impose a particular political solution. This has been reiterated by the U.N., but it is important that the position of the U.N. in the Katanga, as elsewhere in the Congo, be a secure one if the U.N. is to carry out its very heavy responsibilities in that country.

Q. Mr. Secretary, how do you draw the line between what you call conciliation in Katanga and imposing a political settlement? Doesn't the use of force by the U.N. against the Katangese represent a form of pressure for a particular political settlement?

A. I think that we ought to remind ourselves that this recent outbreak of fighting occurred after several days of harassment by Katangese against U.N. personnel, both civilian and military. Whether or not these particular soldiers or individuals who carried out these harassments were acting under the full authority of the Katangese authorities is something that is not entirely clear in every case. One of the problems in the Congo has been the question of responsibility and discipline on the part of many of those who have taken

action from time to time. But the U.N. position there was becoming weakened, and it was being subjected to harassment. If these actions had continued, there would have been a loss of communications among the U.N. elements in Elisabethville and in the airport, and they would have been subjected to very considerable dangers. I think the elementary first step is to assure the position of the U.N. in that situation.

Q. Mr. Secretary, you have spoken of our supplying of internal transport in the Congo. Do we have any request for or do you envisage any further American contribution to the effort there materially?

A. As you know, the United States, over the last many months, has made very large contributions to the U.N. effort in the Congo financially, materially, and in assistance with such things as transportation. Some of this has been by plane, some by ship. I would think that we would continue to support the very large needs of the United Nations in the Congo, but we have not had the request for anything, shall we say, of a military character beyond this assistance of transportation.

Q. Mr. Secretary, earlier this year there was considerable hope of strengthening what U.S. officials call the executive capacity of the United Nations to act. Even though there is some agreement on objectives in the Congo, there seems to be some disagreement about the extent of the use of force. How are we to develop that executive capacity to act while there are differences between the United States, Britain, and France?

A. I would minimize the differences to which you refer at this point. I do think that the new Secretary-General, Mr. U Thant, has moved with dispatch and with clarity on this present Congo situation in the very earliest weeks of his assumption of office. I would suppose that the executive and administrative functions of the United Nations are in good hands.

Q. Mr. Secretary, when the U.N. went into action in Katanga last September, virtually as soon as the first shots were fired there was a call by Britain for a cease-fire. Now they have been fighting for 4 days. Are you considering calling for a cease-fire?

A. I think that would be for the U.N. authorities there to determine. I think we need to try

to re-create, if we can, the situation on the spot. You have a limited number of U.N. forces. Their situation does require local security. That local security was under pressure and harassment. I think that the first requirement for a cease-fire is the assurance and consolidation of the U.N. position there in Elisabethville.

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Hope for ICC Action in Viet-Nam

Q. Mr. Secretary, getting back to the report on Viet-Nam, there is a statement therein suggesting that the Indian attitude in the [International] Control Commission is responsible for the lack of international inspection and perhaps even action. Does this suggest failure on our part to persuade Mr. Nehru to alter his stand?

A. No, I think this part of the report refers more to the, shall we say, historical situation over a period of a long time. I think the report itself points out that the real problem has been the Polish member of the ICC. I think there are indications now that the ICC will, in fact, take up for investigation many of the complaints which have been put before it.

You will recall that the Government of South Viet-Nam quite recently filed with the ICC a letter which put to the ICC a number of the complaints which were also included in this report here. We hope very much that the ICC will turn its attention promptly to an investigation of these charges.

Problems To Be Discussed at Paris Meetings

Q. Mr. Secretary, in light, sir, of the statements made in the French National Assembly by the French Foreign Minister, can you tell us what you regard as the prospects for full Western agreement on an approach to negotiations on Berlin, and also, if full agreement is not possible, sir, do you regard it as possible that there may be simply direct negotiations between the United States and the Soviet Union?

A. I wouldn't want to try to anticipate answers to those questions. One of the reasons for going to Paris 2 days early is to sit down with my colleagues, with the principal Western Powers, and talk about just these matters.

Q. Mr. Secretary, one of the questions which is to confront you in Paris, if I remember correctly, is the problem of making NATO a fourth nuclear power. Can you tell us what your thoughts are on this just before you leave?

A. This is a question, of course, which will be discussed. NATO does have nuclear resources in its support as a part of its general strategy. The President, in Ottawa, indicated that we expected at a suitable time to take action with respect to Polaris submarines, but I would not wish to comment today on details.

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Q. Mr. Secretary, Mr. Castro recently announced that he is, after all, a member of the Communist Party. Could you give us your reaction to that and possibly any background as to why you think this announcement was timed at this particular time?

A. On your second point, I am not able to explain the timing of the statement. I gather the timing of the statement has created a certain problem within the Communist world, if one can judge from the absence of their distribution of this statement widely, as one might have thought likely. As for the content of his statement and others that have been made in the last 2 or 3 days by other leaders down there, certainly this saves us the considerable task of proving to other people in conclusive terms what we have known for some time, because they now have said it themselves.

Q. Mr. Secretary, Communist Hungary has hinted that it might discuss the fate of Cardinal Mindszenty with the United States and the general question of improving relations. Secretary-General U Thant was invited to go to Hungary. Could you tell us, sir, what you think about this new development, especially whether there is any direct contact between the United States and Hungary on the fate of the Cardinal?

A. There are facilities for direct contact, of course, between ourselves and Hungary. I would not suppose that this is a question—it is not a question which can be worked out through public exchanges but would have to be taken up in other channels. I frankly do not know what the significance of these statements as yet may be.

Q. Mr. Secretary, when you spoke about the Congo, you mentioned the reintegration of Ka-

tanga. I was wondering whether you favor a centralized or a federal system for the future of the Congo?

A. I think it would not be right for us to say that we have a plan for the Congo which we would try to press upon them. What we do think is that these constitutional matters ought to be worked out among the Congolese leaders themselves, and, as we have seen in other situations of this sort, there is a considerable range of possibilities open. The combination of an effective central government, on the one side, and a considerable degree of autonomy for local provinces or regions, on the other, is something that has not proved insoluble. But this is something that has to be talked out among the Congolese leaders, and we don't have a blueprint for the Congo up our own sleeves.

Q. Back to South Viet-Nam—conversations have been under way for some time following the Taylor mission between the United States Government and the Diem government. What is the status of those conversations, and have they produced firm agreements yet on major points or things that ought to be done?

A. I think there has been very welcome headway in those talks in terms of what can be done by the Government of South Viet-Nam and by ourselves and others to move more effectively and promptly to the protection of that country against the assaults that are being directed against it. We have been very much encouraged by the exchanges we have had in the last 10 days.

Q. What others, Mr. Secretary? You mentioned the South Vietnamese and the United States. What other countries?

A. I don't think I should name other countries under the circumstances. I think that will eventually become known.

Q. Mr. Secretary, it has been reported there was a growing movement among certain delegations at the U.N. for execution of the two-China policy to resolve the matter of Red China's membership. Would you state the Government's present attitude on two Chinas in the U.N.?

A. The attitude of the United States was set forth at the U.N. by Ambassador Stevenson in his principal speech on this subject at the General As-

⁴ BULLETIN of June 5, 1961, p. 839.

sembly. That did not embrace a two-Chinas program. Indeed, the one thing that is quite certain in this situation is that both the Government of the Republic of China and the authorities in Peiping themselves utterly reject any such approach to the question.

OAS Consideration of Extracontinental Intervention

Q. Mr. Secretary, could you comment on the recent vote of the Organization of American States on the Colombian proposal, and are you satisfied with the action which has been taken?

A. I think that was a very important forward step. If you will analyze both the voting and the speeches which were made at the time the action was taken, you will note that the voting itself was 14 to 2 but that those who abstained did not themselves reject the utility of or the need for a foreign ministers' meeting. Some of them abstained on what might be called juridical grounds and wanted to discuss further the basis and the outcomes of the meetings of the foreign ministers. But we were very much encouraged and impressed by the general recognition that a meeting of the foreign ministers on this matter should be held.

Q. Mr. Secretary, India is involved in two disputes, one with Portugal over Goa and the other with the Communist Chinese over the border. Could you give us what the present thinking of the U.S. is toward the Indian claims in both of these instances and whether or not there is serious danger of conflict in either?

A. We, of course, support the Indian view with respect to their northern borders. Those borders have been well established in law, if not, in every locality, demarcated exactly on the ground. But the McMahon line generally is something that the rest of the world has accepted.

On the other matter we do not have clear and accurate reports as to just what is happening. This is one of those questions which we feel ought not to be resolved by force, and we welcome the indications of both parties that this is not in their minds. But I would not wish at this distance to complicate a delicate situation by commenting on it today.

Q. Mr. Secretary, high and low the State Department has been reorganized. You have gotten

new agencies for disarmament, for foreign aid. Has this produced an interruption in what you would consider the normal conduct of work?

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A. No, I would think that the speed and the ability with which Mr. [Fowler] Hamilton and Mr. William Foster have taken on the AID administration and the Disarmament Agency have greatly simplified the work of the Secretary of State.

Q. Mr. Secretary, a couple of days ago a Government official told a congressional committee that the United States has attempted to block the sale of British aircraft to China. Could you give us some idea of the thinking behind that attempt?

A. We were not very happy about that sale of aircraft to Communist China, but this is one of those transactions in the commercial field which governments must decide for themselves. I think I might just let it rest at that.

Q. Mr. Secretary, you said quite pointedly that North Viet-Nam had violated the Geneva Accord. While we are not a signatory of the accord, we did have an arrangement with the ICC and South Viet-Nam about the number of military personnel we would have in South Viet-Nam. We have also observed the kind of material we sent in there. Do we now feel bound by these prior arrangements?

A. I think that puts the question the wrong way around. There is no question that the North Vietnamese have been systematically violating the 1954 Geneva Accords. Indeed, the title of the report which we are issuing to the public today, A Threat to the Peace, is taken from Under Secretary Bedell Smith's statement at the time of the Geneva Accords as to our attitude toward that situation.

Now, actions are being taken by the other side to breach these accords. It is not a violation of an agreement of this sort to take steps to protect oneself against the other party's breach, even though in the absence of such a breach those steps might not be considered normal.

If the North Vietnamese bring themselves into full compliance with the Geneva Accord, there will be no problem on the part of South Viet-Nam or anyone supporting South Viet-Nam.

^{*} See p. 1069.

⁶ BULLETIN of Aug. 2, 1954, p. 162.

Q. Mr. Secretary, can you tell us whether we are discussing with friendly and allied countries the degree of assistance and the kind of assistance they might furnish to South Viet-Nam?

A. South Viet-Nam is being actively discussed with a number of other countries.

Q. Thank you, sir.

Letters of Credence

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The newly appointed Ambassador of Costa Rica, José Rafael Oreamuno Flores, presented his credentials to President Kennedy on December 5. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 846 dated December 5.

President and Mrs. Kennedy To Visit Venezuela and Colombia

White House press release dated December 5

President and Mrs. Kennedy will visit Caracas, Venezuela, and Bogotá, Colombia, on the 16th and 17th of December. The President intends to participate in the dedication of projects being carried out under the Alliance for Progress program in both countries.

The purpose of the visit is to dramatize and spotlight the cooperative effort being made by the United States and the Republics of South America to accelerate the economic and social development of the Western Hemisphere. The Presidential trip will demonstrate the intense concern of the United States for those programs aimed at improving the welfare of the greatest number of people. The projects to be dedicated will include low-cost housing, primary education, and rural community improvement. The trip to Bogotá and Caracas will symbolize the effort which is now going on in most of the American nations.

The President will leave the United States on December 15 and will proceed to Puerto Rico, where he will spend the night at the Governor's mansion, La Fortaleza. He will leave the next morning for Caracas, where he will visit projects, spend the evening, and leave for Bogotá on December 17. He will spend that day in Bogotá,

returning to the United States on December 18.

Although the President's schedule does not permit him to visit other countries at this time, he hopes to visit other parts of Latin America in the future.

U.S.-Japan Committee on Scientific Cooperation Established

The Department of State announced on December 4 (press release 844) that the following will be the U.S. members of the United States-Japan Committee on Scientific Cooperation: Detlev W. Bronk, Caryl P. Haskins, Harry C. Kelly (chairman), Edwin H. Land, Robert F. Loeb, Emanuel R. Piore, and William W. Rubey.

In their joint communique of June 22, 1961,¹ President Kennedy and Prime Minister Ikeda agreed that a United States-Japan committee should be formed to seek ways to strengthen scientific cooperation between the two countries.

The committee will be a consultative body. Its functions will be to explore ways to facilitate scientific cooperation between Japan and the United States for peaceful purposes and to report and, as appropriate, make recommendations to the two Governments. Recommendations of the committee would not commit either of the two Governments; approval or support of any recommended action or project would in each case depend upon normal governmental procedures.

The first meeting of the committee will take place December 13–15 at Tokyo.

Department Announces Release of IJC Report on Lake Ontario Water Levels

Press release 855 dated December 7

The Department of State announced on December 7 the public release of the report of the International Joint Commission, United States and Canada, on the Water Levels of Lake Ontario, dated April 5, 1961.² The matter was referred to the Commission for investigation and report by

December 25, 1961

¹ BULLETIN of July 10, 1961, p. 57.

² A limited number of copies are available on request from the U.S. Section of the International Joint Commission, United States and Canada, Federal Trade Building, Washington 25, D.C.

the Governments of the United States and Canada on June 25, 1952, pursuant to article IX of the Boundary Waters Treaty of 1909. Under this Reference, the United States and Canada asked the Commission to study the various factors affecting the fluctuations of Lake Ontario water levels and to determine whether action could be taken by either or both Governments to bring about a more beneficial range of levels. The investigation was carried out in conjunction with related studies concerning applications for the development of power in the International Rapids section of the St. Lawrence River.

The Commission's investigations were organized to evaluate the effects of various factors on the levels of Lake Ontario, to determine possibilities for regulation of Lake Ontario so as to reduce the range of water levels, to determine desirable changes in existing works or other measures in the public interest, and to evaluate the effects of changes in existing works and other measures on various interests—riparian, navigation, and power.

The Commission previously recommended for Lake Ontario a range of stage of 244.0 feet to 248.0 feet as nearly as may be, which was accepted by the Governments in December 1955. In its Order of Approval, dated July 2, 1956, the Commission set forth that regulation of the outflows of Lake Ontario and of the flows through the International Rapids section of the St. Lawrence River should be carried out in accordance with certain criteria, including the above range of stage. Another criterion provides that, in the event of water supplies in excess of past supplies, the regulatory works shall be operated to provide relief to riparian owners both upstream and downstream and, in the event of supplies less than those of the past, to provide relief to navigation and power interests.

A plan of regulation was instituted on April 20, 1960, on the basis of recommendations of the Commission, and therefore no further action by the two Governments was recommended in the Commission's report. The Governments of the United States and Canada have expressed their appreciation and thanks to the Commission for the Lake Ontario water-levels report, which represents a great deal of intensive study and which should prove a useful reference work for many years to come for all those concerned with or affected by future developments in Lake Ontario.

U.S. and Ireland Conclude Air Transport Talks

Press release 861 dated December 7, for release December 8

Delegations representing the United States and Irish Governments met at Dublin beginning November 27 to discuss the operations of their respective airlines under the provisions of the Air Transport Agreement ¹ between the two countries. The talks were concluded on December 7.

Full and frank discussions were held on several aspects of the agreement. The U.S. delegation left with the Irish delegation certain proposals which would provide U.S. airlines with the opportunity of conducting services to Dublin and beyond, as well as continuing operations at Shannon. These proposals will be submitted to the Irish Government for consideration.

The U.S. delegation is returning to Washington, and, if necessary, the talks will be resumed in the new year.

Congressional Documents Relating to Foreign Policy

87th Congress, 1st Session

War Claims and Enemy Property Legislation. Hearings before a subcommittee of the House Interstate and Foreign Commerce Committee on H.R. 5028, a bill to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and H.R. 7283 and H.R. 7479, bills to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses. August 2–3, 1961. 269 pp.

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The University in Latin America: Argentina and the Alliance for Progress. A study-trip report to the House Education and Labor Committee. September 15, 1961.

18 pp. [Committee print]
World Communist Movement: Selective Chronology,
1818-1957. Prepared by the Legislative Reference Service of the Library of Congress. Volume I, 1818-1945.
H. Doc. 245. September 15, 1961. 232 pp.

International Air Transportation Problems. Hearing before the Aviation Subcommittee of the Senate Committee on Commerce. September 22, 1961. 60 pp.
Forty-second Report to Congress on Lend-Lease Opera-

Forty-second Report to Congress on Lend-Lease Operations. Message from the President transmitting a report for the year ending December 31, 1960. H. Doc. 205. October 16, 1961. 43 pp.

A New Look at Foreign Economic Policy in Light of the Cold War and the Extension of the Common Market in Europe. Statement prepared by Christian A. Herter and William L. Clayton for the Subcommittee on Foreign Economic Policy of the Joint Economic Committee. October 23, 1961. 10 pp. [Joint Committee print]

Department of State Bulletin

¹ 59 Stat. 1402, 61 Stat. 2872, and TIAS 4007.

Security Council Acts To End Secessionist Activities and Reestablish Political Unity in the Congo

Following are statements made by Adlai E. Stevenson, U.S. Representative to the United Nations, during consideration in the Security Council of the situation in the Republic of the Congo and text of a three-power resolution which was adopted by the Council on November 24, together with text of U.S. draft amendments to the three-power resolution.

STATEMENT OF NOVEMBER 16

U.S./U.N. press release 3842

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The Council has met once again on the question of the Congo, faced by both new and old difficulties, in conditions that are both ominous and also hopeful.

We are, I am sure, grateful to the Foreign Ministers of Sweden, of the Congo (Léopoldville), and of Belgium for their contributions to our discussions. For my delegation I want to say that we are most happy to see at the table in the seat of Belgium one of the founders of this Organization and one of the great architects of peace and reason in these troubled times, Dr. Henri Spaak.

For its part the United States approaches the critical problem with fresh resolve. We are determined that the pioneer United Nations effort in the Congo should succeed. We are determined that a truly unified Congo shall emerge. We are determined that the Congolese people will some day govern themselves free from outside interference, free to put their house in order and to get on with the task of improving the welfare of their people.

In all of this we are moved and nurtured by the spirit of the late Secretary-General, Dag Hammarskjold. His task—our task—as we see it, is unfinished. To his successor [U Thant], whom my delegation is gratified to welcome to the Council for the first time, the United States pledges its full support. We are confident that he will bring to his task the wisdom of the East, the tenacity of purpose and wise counsel and leadership so essential to cope with present difficulties. His is a heavy burden in which all of us should share. This is particularly true of those countries whose manpower has been made available to the United Nations and of those which have provided political, material, and financial support in this great undertaking.

While reports are still not entirely clear, the situation appears even more grave than before. Individuals in the Province of Orientale, apparently under the leadership of Antoine Gizenga, are presently operating in Kivu Province in defiance of the central government. Their failure to cooperate in fact with the central government serves only the cause of greater disunity and instability.

And now comes confirmation of the latest revolting acts—the massacre of 13 Italian airmen serving the United Nations, presumably by soldiers from Stanleyville. We are profoundly shocked by these actions, and our heartfelt sympathy goes to their relatives as well as to the Government of Italy. Their names are added to the long list of those who have lost their lives in the cause of peace in the service of the United Nations.

Therefore we welcome the quick action taken by the Secretary-General yesterday in authorizing United Nations officials on the ground to take every measure possible to restore law and order. We hope this can be done soon since disorder, instability, and drift can only jeopardize the thin fabric of peace which exists in the Congo today.

The United States believes that separatism and defiance—from whatever quarters—must end.

What we are pledged to accomplish on behalf of the central government is to assist in the preservation of the country's integrity as an independent nation with the same frontiers that it possessed at the time the United Nations action began.

The refusal of the authorities of southern Katanga to cease their secessionist activities poses a threat to that unity. If chaos is to be avoided, it is necessary that the Katanga authorities cease their interminable delays and undertake immediately with the central government serious, direct discussions for the prompt reestablishment of political unity in the Congo.

U.S. Position on Congo Unity

The moral pressure of the United Nations and of the governments it represents should, we believe, be brought most emphatically to bear to this end. Let me make clear the attitude of the United States toward this problem.

We support fully, as I have said, the concept of a united Congo. The Congo has a 75-year history as a single unity. As such it acceded to independence under a constitution which, though provisional, was agreed to by all Congolese political leaders. The United Nations itself has endorsed the principle of Congolese unity in a number of resolutions. Not a single country in the world has recognized the claims of Katanga leaders to separate nationhood.

There is, therefore, no legal warrant for the concept of a separate Katanga as preached by Mr. [Moise] Tshombe and his associates or a rebellious Orientale led by Mr. Gizenga.

The present Katanga authorities clearly have no claim to speak for the entire province. The Katanga parliament is a rump organization formed of not more than 25 of the 60 legal members of the original Assembly, and the ethnic groupings which support the present regime constitute, as we understand it, less than half of the province's inhabitants.

The reasons for the attitude of Katanga's leaders are not difficult to find. Prior to independence the province contributed over 50 percent of the country's tax revenues. And all of this has been lost to the central government since July 11, 1960, and much of it is going into maintaining and strengthening the forces of Mr. Tshombe.

As to Orientale, the hopes of the central gov-

ernment and of the United Nations that Gizenga intended to cooperate loyally in the maintenance of a unified Congo were ill-founded. And he and his supporters now seem to be in open rebellion. This is a situation of no less gravity, perhaps in the long run of even greater gravity, than that in Katanga.

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It is certainly in the interests of everyone to secure the peaceful and complete integration of all of these areas. There can be no real future for a secessionist Katanga or a secessionist Orientale.

The Congolese, like any people anywhere in the world, will not rest until these provinces once again assume their rightful place in their country. For their leaders to persist in their ambitions can only bring civil war and misery. In such a holocaust they would certainly not be the winners.

Nor, if civil war were to break out, would the Congolese Government be in a much better position. The probable result would be the destruction of an invaluable national asset and great loss of life. If these men persist in this secessionist ambition, they might go down in history as the perpetrators of one of the most tragic follies in the history of Africa. This is precisely what we all want to avoid. At the same time, the opportunities for constructive participation with the central government are challenging and great. Katanga or Orientale has a vital role to play in the Congo, but that role must be a national one.

Suggestions for Achieving Unity

The question, then, is how to achieve this objective. The United States has a number of suggestions.

The present mandate, as it has been implemented in practice by the United Nations authorities, is reasonably adequate. However, it has become increasingly apparent that the intention of the United Nations has been frustrated in a number of important areas.

First, it was the intention of the General Assembly at its Fourth Emergency Special Session to prevent all outside military assistance to the Congo except through the United Nations.¹ The Council subsequently endorsed this position. Resolution A/1474 called upon "all States to refrain from the direct or indirect provision of arms

¹ For background and text of a resolution, see BULLETIN of Oct. 10, 1960, p. 583.

or other materials of war" to the Congo. Unfortunately there has been a steady trickle of arms to Katanga. I do not minimize the difficulty of shutting tight the tap. Nevertheless it seems clear to my Government that greater responsibility for neutralizing such weapons should now be vested in the United Nations.

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Secondly, the Security Council resolution of February 21, 1961,2 was vague on the subject of removal of mercenaries. It simply urged that measures be undertaken. Again, primary reliance was placed by the United Nations on cooperation by member states. But we have reached the point where the mercenaries involved now are irresponsible soldiers of fortune, many of whom could never return to their own countries and who are not subject to any effective national control. We believe, therefore, that the Secretary-General should take vigorous action to end the problem of He should be allowed sufficient flexibility to employ such methods as he deems appropriate. And we hope he will soon have the assistance of Mr. Tshombe himself, who will be convinced by conference and conciliation of the futility of further resistance.

Thirdly, the provisions of the February 21 Security Council resolution on retraining of the Congolese armed forces have remained unimplemented and a dead letter. The United States believes that these armed forces should now be strengthened and retrained by the Congolese Government with United Nations assistance, so that, in time, the Congolese armed forces will, by themselves, be able to implement national policy and objectives. We also believe that nothing would be more likely to bring secessionists to their senses than energetic implementation of this part of the mandate. It seems obvious in this connection that the Congolese armed forces, in the light of the situation in southern Katanga and in Orientale, should possess a small but effective air force, and we believe the United Nations should provide appropriate assistance to that end.

Now let me turn for a moment to the resolution submitted by the representatives of Ceylon, Liberia, and the United Arab Republic.³ We believe that it has elements which are entirely constructive. However, in our judgment it is not fully responsive to the present situation. Its focus appears to us to be predominantly on one aspect of the problem to the exclusion of the others. There are also a number of important omissions, particularly in the light of developments over the past 36 hours. Surely the Council will not be acting responsibly if it seeks to focus on one danger while shutting its eyes to another. If Tshombe's unwillingness thus far to meet with the central government authorities has prevented the achievement of political unity, how much more dangerous are the defiant actions and declarations of the authorities in Orientale Province.

I am sure that the sponsors of the resolution before the Council will agree that further consultations are essential if we are to take effective action here on all important aspects of the Congolese question. The United Nations Operation in the Congo has had its sponsors and its detractors. At this critical moment it is important that United Nations members, and in particular those who have supported the United Nations Operation in the Congo—politically, materially, and financially—and those members whose forces today stand firm to prevent greater chaos and anarchy, band together to assure that this Council's action will help rather than hinder in the achievement of United Nations objectives.

In this connection the United States has developed some concrete suggestions which we will put forward at a subsequent meeting of the Council in the form of a draft resolution.

FIRST STATEMENT OF NOVEMBER 21

U.S./U.N. press release 3848

The question before us is, of course, of the very gravest importance to the Government and to the people of the Congo and to the United Nations itself. What we do or what we fail to do here today may be decisive in determining the future of the Congo and of the most significant operation in which our Organization has engaged. We feel, therefore, that the language of this new mandate is of the utmost importance and merits the most careful draftsmanship.

Yesterday the delegate of Liberia suggested a revision of paragraph 8 of the three-power text submitted by Ceylon, Liberia, and the United Arab Republic. It appears in document S/4985/Rev. 1,

³ For text, see ibid., Mar. 13, 1961, p. 368.

³ U.N. doc. S/4985.

paragraph 8. Its effect would be to make clear the opposition of the Security Council to secession wherever it may occur in the Congo, as well as specifically to demand that such activity in the Katanga cease forthwith. Speaking for my delegation, we welcome this revision of paragraph 8 as a distinct improvement in the text.

The United States delegation can support almost all of the provisions of the three-power draft now before the Council. We feel, however, that it would be desirable for the draft to be expanded, to be strengthened, and to be clarified in certain respects. Our amendments, circulated last night in document S/4989, are really additions which we hope that the Council members will agree strengthen and broaden the three-power draft. They do not contradict it. They give somewhat broader authority to the Secretary-General, both in the action that he may take and where he may take it.

To better enable members to follow these amendments, we have prepared a composite resolution so that you can quickly identify the new language we are proposing, and I believe copies of this have been circulated—copies of this informal document have been circulated to members of the Council to aid in the consideration of the proposals that I shall advance.

Now let me describe briefly the various amendments that we wish to offer.

First, while we believe that the primary current cause of trouble in the Congo is secession in the Katanga, the Government of the Congo is also plagued with other attacks against its authority. Whatever may be the origin or whatever may be the motives of such attacks, they weaken the effectiveness of the central government and they threaten the United Nations efforts to assist the Congo. We believe the Security Council, therefore, should express itself clearly against all such activities and authorize the Secretary-General to take appropriate measures against them. We have therefore suggested that the fifth preambular paragraph of the three-power draft be expanded slightly to read as follows:

Deploring all armed action and secessionist activities in opposition to the authority of the Government of the Republic of the Congo, including specifically those carried on with the aid of external resources and foreign mercenaries, and completely rejecting the claim that Katanga is a "sovereign independent nation,"

Now, if you would please turn to operative paragraph 2—I am not going to discuss these in the sequence in which they are presented but rather gather those together which relate to the same subject—to make operative paragraph 2 parallel this declaration in the preambular portion of the resolution, in other words, to cover the same problem of armed action against the Government of the Congo, we propose that the operative paragraph 2 be amended to read:

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Further deprecates all armed action against United Nations forces and personnel and against the Government of the Republic of the Congo. . . .

I think the reason for that is self-evident.

In this connection we would favor adding to the preamble an expression of regret for the actions of violence against United Nations personnel from such armed action. This seems to be an appropriate addition in view of the loss of life of United Nations forces which they have suffered, including most recently the barbaric slaying of 13 Italian airmen, which Prime Minister [Cyrille] Adoula so eloquently denounced. We have therefore suggested the addition of a paragraph to the preamble following the "Deploring" paragraph reading as follows:

Noting with deep regret the recent and past actions of violence against UN personnel. . . .

Since the formation of the government of the Congo headed by Prime Minister Adoula, any question concerning the exclusive authority to conduct foreign policy in the Congo has vanished. Only one government exists, and the claims of any province to independence are inadmissible. For that reason we favor adding to the three-power draft explicit recognition of the sole authority of the central government, and we propose, therefore, that another preambular paragraph be added reading as follows:

Recognizing the Government of the Republic of the Congo as exclusively responsible for the conduct of the external affairs of the Congo. . . .

Next, we favor giving the Secretary-General broad authority to rid the Congo of foreign mercenaries. However, the use of force by the United Nations is a most serious matter, as we all know. It should only be authorized in as precise terms as the Security Council can possibly state for the protection of the Secretary-General and for universal understanding. For that reason we

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would favor a drafting change in operative paragraph 4, deleting the ambiguous phrase "hostile elements" and substituting therefor the exact language of paragraph A-2 of our resolution of last February 21, to which the three-power draft already refers. The phrase "hostile elements" could cause needless alarm and uncertainty as to the intention of the United Nations and creates a very imprecise authority for United Nations ac-We understand the intention of the sponsors is to give the Secretary-General authority that he needs for defense of United Nations forces against whoever may forcibly oppose their actions. We believe this authority becomes more precise if the paragraph adopts the language of the February resolution on the subject of mercenaries. So the suggestion is that it read as follows:

Authorizes the Secretary-General to take vigorous action, including the use of a requisite measure of force, if necessary, for the immediate apprehension, detention pending legal action and/or deportation of all foreign military and para-military personnel and political advisers not under the UN command, and mercenaries as laid down in paragraph A-2 of the Security Council resolution of 21 February 1961. . . .

Our next proposal relates to secession. We believe that secession in the Katanga, as well as the use of armed force against the authority of the Government elsewhere, is often the result of outside influence, including the use of arms imported from abroad. We feel that the three-power resolution was defective in that it did not give the Secretary-General the broadest possible mandate to neutralize the effect of such arms everywhere in the Congo, especially aircraft and heavy weapons. In this connection, we approve the decision—the very historic decision, I suspect—to resist aircraft of the so-called Katanga Air Force if again used for military purposes. In order to give the Secretary-General explicit authority to deal with the problem, we favor the addition of the following paragraph to the three-power draft:

(6) Authorizes the Secretary-General, in consultation with the Government of the Republic of the Congo to neutralize, where necessary to prevent their use for military purposes against the United Nations, the Republic of the Congo, or the civilian population, aircraft and other weapons of war which have entered the Congo contrary to its laws and UN resolutions. . . .

One of the great needs in the Congo today is, we feel, for a rebuilding of the Congolese armed forces. This is a need we have recognized in past resolutions. Recent examples in which discipline disappeared in certain Congolese army units demonstrate that this problem, which we discussed at length last February, is still with us. We therefore propose the addition of a paragraph which would give new emphasis to United Nations efforts for assisting the Congolese Government in rebuilding its armed forces, which would read as follows:

(11) Requests the Secretary-General to assist the Government of the Republic of the Congo to reorganize and retrain Congolese armed units and personnel and to assist the Government to develop its armed forces for the tasks which confront it. . . .

Finally, one of the most discouraging problems which faces us in the Congo is the continuing disunity of the country. We believe the Secretary-General should once again be empowered to take steps to promote the unity of the Congo, including, of course, in the first instance, peaceful measures of conciliation and negotiation. We therefore propose the addition of the following:

(13) Further authorizes the Secretary-General to take all such steps in accordance with the resolutions of the Security Council as he considers necessary, including those of negotiation and conciliation, to achieve the immediate political unity and territorial integrity of the Congo.

Several delegates have suggested in this amendment that the word "authorizes" should be changed to "requests," and we are completely in accord with the suggestion. I should like, therefore, to offer it as a slight verbal alteration to our amendment No. 7, that is, that the second word read "requests" rather than "authorizes."

Mr. President [Valerian A. Zorin, U.S.S.R.], we believe that the sentiments which I have attempted to express and the amendments I have presented are in accordance with the views of almost, if not all, members of this Council. We believe that they reflect the needs of the United Nations and the experience of the United Nations in the Congo. We believe our amendments are entirely consistent with what we understand to be the intent of the three-power resolution. We consider them vital aspects of our current effort to assist effectively the Government of the Congo and the new Secretary-General in their respective tasks. We hope, therefore, that they will have the full approval of the Council.

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SECOND STATEMENT OF NOVEMBER 21

U.S./U.N. press release 3849

The distinguished representative of Ceylon was good enough to refer to me in his remarks as the "Representative of the United Nations." Well, as long as we are congratulating each other today, I must say I am deeply grateful for this promotion. I have always felt that I should speak for all of the United Nations, but I have concluded that there might be some objection.

Now I am going to forgo any argument with the representative of the Soviet Union [Mr. Zorin] regarding his charge that these amendments were designed to distract attention from the principal problem, in order not to protract this meeting. The object of these amendments is transparently clear. It is not to distract attention. It is rather to concentrate attention on all of the problems so that the Secretary-General's mandate is clear and comprehensive and we would not have to have another Security Council meeting to remedy the situation.

The objections advanced by the distinguished representative of the Soviet Union seem to relate to one paragraph, that is, No. 5 of our amendments. He suggests that the word "neutralize" be replaced by the word "remove." Now the purpose of this paragraph was to remedy a defect or an oversight in the three-power draft, which only prevents entry of arms into the Katanga. It does not authorize the Secretary-General to eliminate their use. This paragraph was intended to prevent the use of arms.

Speaking for the United States delegation, we would accept "remove" as proposed by the Soviet Union, albeit reluctantly, because it is a more limiting word in our language than "neutralize." It is obviously harder to go into enemy country and remove an airplane, for example, than it is to shoot it down. But we will accept that change as requested, providing we can also alter the subsequent language slightly so that it would read: "... to remove or to prevent the use for military purposes against the United Nations," and so forth, thus giving the Secretary-General complete latitude to remove or prevent by other means. I do not believe the representative of the Soviet Union would take exception to that alteration.

Finally, in the last line of that paragraph, he suggested that the language be limited to weapons

of war which have entered Katanga. I would gladly accept that, too, and say "... weapons of war which have entered Katanga or any other region of the Congo contrary to the laws of the Congo and U.N. resolutions." Surely it was not the intention of the representative of the Soviet Union to limit the defense capability of the Secretary-General to only one area.

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Mr. President, if anyone thinks that it would strengthen the resolution as a whole, we would gladly add to the language of amendment No. 1 some more language in the third sentence reading as follows: ". . . specifically those carried on by the Provisional Administration of Katanga with the aid of external resources and foreign mercenaries," and so on.

With those additions, sir, I would hope very much that the Council might conclude to act on these amendments as a whole 4 so that we could proceed to the adoption of a resolution at this morning's session.

THIRD STATEMENT OF NOVEMBER 21

U.S./U.N. press release 3850

Mr. President, I take the liberty of speaking only on the assumption that there is no one else who wants to speak, in view of your inquiry a moment ago.

I must say, sir, that in view of the Soviet threat of a veto at the last minute this morning and the strong statements of the distinguished Foreign Minister of the Congo which we have heard this afternoon, I am wondering if we should not adjourn before voting in order to see if something can be worked out which would be acceptable to all and constitute a positive service to the Congo, to the Secretary-General, and to the United Nations.

After 10 days of meetings here, paralysis and no action whatever would be a positive disservice to the Congo. In spite of the present discouraging impasse, I do not personally despair of doing something to save the situation and to advance the interests of the international community in peace and order and progress in the Congo.

[In a further intervention, Ambassador Stevenson said:]

⁴ U.N. doc. S/4989/Rev. 1.

I had hoped to avoid a further intervention, Mr. President, but in view of your last statement I am obliged to say some further words.

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Everyone in this room who has expressed himself has approved this resolution, as amended, except the Soviet Union, and that includes the Congo itself. And yet you say that it is not you but we who are obstructing the Council's action. What you are saying is that we are all obliged to accept your version of what should be done, including the Congo, or you won't play. I regret this very much because I do not admire dictatorship in any form.

But I regret it more because of its effect on the Congo, to which the United States has contributed a great deal of money and a great deal of help through the United Nations and will contribute more, even as others who are here have contributed both blood and treasure. I noticed your boast that the Spviet Union had contributed nothing.

It is not helpful to use this occasion as just another exercise in rhetorical anticolonialism. This is an emergency, a crisis in the affairs of the Congo that demands prompt attention. A resolution, as amended, that all have approved who have spoken lies before you. Accept it, I beg you, and let Mr. Bomboko [Foreign Minister Justin Bomboko] go back to the Congo and that unhappy country start a new chapter with a new mandate for our new Secretary-General. If you cannot, I must then press my motion for adjournment under Rule 33 without further debate.

STATEMENT OF NOVEMBER 24

U.S./U.N. press release 3859

Before proceeding to a vote I should like the privilege of saying a word in explanation of the position of my Government.

We will vote for the three-power resolution as amended with great reluctance so that the Foreign Minister of the Congo, Mr. Bomboko, will not return to his tormented country emptyhanded after all of these days of talk.

We appreciate the efforts of so many delegations and virtually all of the members of this Council to get unanimity on a satisfactory, comprehensive mandate for the Secretary-General.

We deeply regret the Soviet vetoes and are disturbed by what they imply for the future of the Congo. In spite of these vetoes of paragraphs desired by the representative of the Congo and clearly defining the authority of the Secretary-General, we will vote for this resolution because we believe that the Council should take a firm stand against the activities in the Katanga and specifically in support of the central government. We do so in light of our view of previous resolutions and executive actions by the Secretariat, which have convinced us that this new resolution can in no way be a diminution but only an addition to authority previously granted. We have full confidence that the Secretary-General will continue to carry out all of these resolutions to the full effect.

We reserve the right to introduce these amendments again in the General Assembly.

U.S. DRAFT AMENDMENTS

 Revise the paragraph of the preamble which begins "Deploring, etc." to read:

"Deploring all armed action in opposition to the authority of the Government of the Republic of the Congo, specifically secessionist activities and armed action now being carried on by the Provincial Administration of Katanga with the aid of external resources and foreign mercenaries, and completely rejecting the claim that Katanga is a "sovereign independent nation,"

2. Add thereafter two new preambular paragraphs:

"Noting with deep regret the recent and past actions of violence against UN personnel," and

"Recognizing the Government of the Republic of the Congo as exclusively responsible for the conduct of the external affairs of the Congo,"

3. Revise operative paragraph No. 2 to read:

"Further deprecates all armed action against United Nations forces and personnel and against the Government of the Republic of the Congo,"

4. Revise operative paragraph No. 4 to read:

"Authorizes the Secretary-General to take vigorous action, including the use of requisite measure of force, if necessary, for the immediate apprehension, detention pending legal action and/or deportation of all foreign military and para-military personnel and political advisers not under the UN command, and mer-

⁵ U.N. doc. S/4989/Rev. 2. Amendment No. 7 was withdrawn by the U.S. representative on Nov. 24, and on that date the Council voted on the remaining amendments with the following results: Nos. 1, 2, and 4 were adopted; No. 5 was not adopted, having falled to receive the required majority; and Nos. 3 and 6 were not adopted because of the negative vote of a permanent member, the vote in each case being 9-1 (U.S.S.R.), with 1 abstention (France).

cenaries as laid down in paragraph A-2 of the Security Council resolution of 21 February 1961,"

5. Add a new paragraph (6) as follows, renumbering

subsequent paragraphs accordingly:

"(6) Authorizes the Secretary-General, in consultation with the Government of the Republic of the Congo to remove or to prevent the use for military purposes against the United Nations, the Republic of the Congo, or the civilian population, of aircraft and other weapons of war which have entered Katanga or any other region of the Congo contrary to the laws of the Congo and UN resolutions;"

6. Add a new paragraph (11) (after original No. (9)) as follows:

"(11) Requests the Secretary-General to assist the Government of the Republic of the Congo to reorganize and retrain Congolese armed units and personnel and to assist the Government to develop its armed forces for the tasks which confront it;"

7. Add a new penultimate paragraph, No. (13), as follows:

"(13) Further requests the Secretary-General to take all such steps in accordance with the resolutions of the Security Council as he considers necessary, including those of negotiation and conciliation, to achieve the immediate political unity and territorial integrity of the Congo."

THREE-POWER RESOLUTION

The Security Council,

Recalling its resolutions S/4387, S/4405, S/4426 and S/4741,

Recalling further General Assembly resolutions 1474 (ES-IV), 1592 (XV), 1599 (XV), 1600 (XV) and 1601 (XV).*

Reaffirming the policies and purposes of the United Nations with respect to the Congo (Leopoldville) as set out in the aforesaid resolutions, namely:

- (a) To maintain the territorial integrity and the political independence of the Republic of the Congo;
- (b) To assist the Central Government of the Congo in the restoration and maintenance of law and order;
- (c) To prevent the occurrence of civil war in the Congo:
- (d) To secure the immediate withdrawal and evacuation from the Congo of all foreign military, para-military and advisory personnel not under the United Nations Command, and all mercenaries; and
 - (e) To render technical assistance,

Welcoming the restoration of the national Parliament of the Congo in accordance with the $Loi\ fondamentale$ and

the consequent formation of a Central Government on 2 August 1961,

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Deploring all armed action in opposition to the authority of the Government of the Republic of the Congo, specifically secessionist activities and armed action now being carried on by the Provincial Administration of Katanga with the aid of external resources and foreign mercenaries, and completely rejecting the claim that Katanga is a "sovereign independent nation",

Noting with deep regret the recent and past actions of violence against United Nations personnel,

Recognizing the Government of the Republic of the Congo as exclusively responsible for the conduct of the external affairs of the Congo,

Bearing in mind the imperative necessity of speedy and effective action to implement fully the policies and purposes of the United Nations in the Congo to end the unfortunate plight of the Congolese people, necessary both in the interests of world peace and international co-operation, and stability and progress of Africa as a whole.

- 1. Strongly deprecates the secessionist activities illegally carried out by the provincial administration of Katanga, with the aid of external resources and manned by foreign mercenaries;
- 2. Further deprecates the armed action against United Nations forces and personnel in the pursuit of such activities;
- Insists that such activities shall cease forthwith, and calls upon all concerned to desist therefrom;
- 4. Authorizes the Secretary-General to take vigorous action, including the use of requisite measure of force, if necessary, for the immediate apprehension, detention pending legal action and/or deportation of all foreign military and para-military personnel and political advisers not under the United Nations Command, and mercenaries as laid down in paragraph A-2 of the Security Council resolution of 21 February 1961;
- 5. Further requests the Secretary-General to take all necessary measures to prevent the entry or return of such elements under whatever guise and also of arms, equipment or other material in support of such activities;
- 6. Requests all States to refrain from the supply of arms, equipment or other material which could be used for warlike purposes, and to take the necessary measures to prevent their nationals from doing the same, and also to deny transportation and transit facilities for such supplies across their territories, except in accordance with the decisions, policies and purposes of the United Nations;
- 7. Calls upon all Member States to refrain from promoting, condoning, or giving support by acts of omission or commission, directly or indirectly, to activities against the United Nations often resulting in armed hostilities against the United Nations forces and personnel;
- 8. Declares that all secessionist activities against the Republic of the Congo are contrary to the Loi fondamentale and Security Council decisions and specifically demands that such activities which are now taking place in Katanga shall cease forthwith;
- 9. Declares full and firm support for the Central Government of the Congo, and the determination to assist

⁶U.N. doc. S/5002 (S/4985/Rev. 1, as amended); adopted by the Council on Nov. 24 by a vote of 9-0, with 2 abstentions (France, U.K.).

⁷ For texts, see Bulletin of Aug. 1, 1960, p. 161; Aug. 8, 1960, p. 223; Sept. 5, 1960, p. 385; and Mar. 13, 1961, p. 368.

For texts, see *ibid.*, Oct. 10, 1960, p. 588; Jan. 9, 1961, p. 62; and May 22, 1961, p. 784.

that Government in accordance with the decisions of the United Nations to maintain law and order and national integrity, to provide technical assistance and to implement those decisions:

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10. Urges all Member States to lend their support, according to their national procedures, to the Central Government of the Republic of the Congo, in conformity with the Charter and the decisions of the United Nations;

11. Requests all Member States to refrain from any action which may directly or indirectly impede the policies and purposes of the United Nations in the Congo and is contrary to its decisions and the general purpose of the Charter.

OAS Foreign Ministers To Consider Extracontinental Intervention

The Council of the Organization of American States met at Washington December 4 to consider a proposal of the Government of Colombia that a meeting of foreign ministers be convoked January 10 to consider threats to peace and the political independence of the American states that may emerge from an intervention of extracontinental powers designed to break American solidarity. Following is a statement made before the Council by Ambassador deLesseps S. Morrison, U.S. Representative.

Press release 840 dated December 4; as-delivered text

This is a critical moment for the inter-American system. At our meeting on November 14 we agreed to set this date on which to act on the proposal of the Government of Colombia. In the intervening 3 weeks we have all had an ample opportunity to consult our governments and to exchange views on how best to proceed in accomplishing the objectives of the Colombian initiative. From these conversations it is clear that a considerable majority of the American governments recognizes the pressing need for a meeting of foreign ministers to consider the dangerous situation created by the intervention of international communism in this hemisphere facilitated by the Castro regime's now publicly proclaimed alinement with the Sino-Soviet bloc. While most of the governments comprising this considerable majority, including my own, favor moving ahead with the Colombian proposal as presented, a few continue to be concerned over the juridical basis for such a Meeting of Consultation.

My Government from the outset has maintained that the threat which confronts all the American Republics today is clearly a matter which appropriately should be dealt with under the Rio Treaty.¹ The threat is not abstract but actual. It is not in the future but real and present. The principal elements of the threat are Cuba's proclaimed alinement with the extracontinental system of international communism and its declared purpose and known efforts to extend that system to other countries of the hemisphere through agitation, subversion, and civil strife. There is not a country here represented that to one degree or another has not felt the impact of the Castro regime's interventionist activities.

This situation is without doubt an "urgent matter of common concern" as stated in article 39 of the charter. But it is much more than that. It is clearly a situation which not only might but actually does endanger the peace of America as contemplated in article 6 of the Rio Treaty. And for those who in these circumstances place such importance on the grammatical construction of article 6, I would add that this situation, involving as it does flagrant subversion, endangers and thus affects the political independence of the American states.

The United States delegation report on the Quitandinha conference, which was referred to in the meeting on November 14, in our opinion makes abundantly clear the very broad scope of article 6 when it states:

- . . . the procedures and obligations in article 6 are declared to be operative whenever:
 - a. The inviolability or integrity of the territory;
- b. the sovereignty; or [and I stress the word "or"]c. the political independence of any American State is affected by:
 - 1. An act of aggression other than an armed attack;
- 2. An extracontinental or intracontinental conflict; or [and I again stress the "or"]
- 3. Any other fact or situation that might endanger the peace of America.

"The reference to 'any other fact or situation that might endanger the peace of America'," continues the report, "was considered by the framers to be sufficiently broad to include most if not all of the occasions specified in the various proposals [made during the Conference] as calling for consultation." Among these proposals was one ad-

¹ For text, see Bulletin of Sept. 21, 1947, p. 565.

vanced by Uruguay covering the "violation of the essential rights of man or the departure from the democratic system" as requiring "the joint and voluntary action of the countries of the continent."

My delegation is thoroughly convinced that the history of the formulation, as well as the precise language, of article 6 fully supports the juridical soundness of the Colombian initiative in calling for the meeting of foreign ministers to be held under the Rio Treaty. Furthermore, the nature of the danger which faces us is such that the need for collective action under the Rio Treaty confronts the Organization of American States with its foremost immediate challenge. My Government enthusiastically supports the resolution proposed by the Government of Colombia.

Now I should like to say a few words about the basic issue before the Council. This issue, which has come into much sharper focus during the past 3 weeks, is the intervention of an extracontinental, totalitarian system in this hemisphere, using Castro's Cuba as a base. Dr. Castro, with his welltimed speech of December 1, has now, finally, removed any doubts about this. The issue was already, of course, quite clear, but it is always helpful to have it defined by the protagonist himself. Incidentally, such an abrupt revelation by the maximum leader of the revolution of a conviction long held may catch some members of his supporting cast unawares, but they will quickly recognize that sudden about-faces are inherent in the Communist system. We have all watched with amusement in recent weeks, for example, Communist parties throughout the world trying to rationalize the de-Stalinization program of Khrushchev.

Castro's speech of December 1 is a remarkably candid confession of intrigue and deception by a man who for close to 10 years studiously hid his real political orientation. Now he tells us that he was basically influenced by Marxist-Leninist theory when he was in the university, that his revolutionary thinking was well formed by the time of his "History Will Absolve Me" speech in 1953, and that some of the ideas in that statement were deliberately disguised so as not to affect adversely his movement. Now he boasts of taking the help of other revolutionary groups during the struggle against Batista, while opposing efforts at

unity until he could gain the upper hand. He makes clear that the same cynical considerations underlay the establishment of a moderate government during his first months in power while he went about consolidating his apparatus. With startling frankness, he states that, if his radical views had been known, those opposed to him today would have been fighting him from the very start. This is the record of a man who deceived the Cuban people who had placed their trust in him and betraved a revolution that was welcomed and admired the world over. This is something for those to ponder who are still tempted to believe that temporizing with Communist tactics is likely to be successful or that freedom and independence are not constantly endangered by the Communist movement.

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Castro also made clear that he has chosen the path of communism, via socialism, traced by Marx, Engels, and Lenin. He said:

In effect, we had to apply scientific socialism. That is why I began to tell you with all candor that we believe in Marxism, that we believe that it is the most correct, most scientific, the only true theory, the only true revolutionary theory. Yes, I state it here, with complete satisfaction and with full confidence. I am a Marxist-Leninist and I will continue to be a Marxist-Leninist until the last day of my life.

One is reminded of his promises made some time ago to return Cuba to the path of individual liberty and representative democracy, when at his Moncada trial in 1953 he proclaimed:

The first revolutionary law will return to the people their sovereignty and proclaim the Constitution of 1940 as the true supreme law of the State until such times as the people decide to modify or change it.

In the early days of his regime, Dr. Castro told the Cuban people that his revolution was tan cubana como las palmas. He used to say: La revolución cubana no es roja sino verde olivo. He described fidelismo as neither capitalism nor communism but humanismo. He liked to say that capitalism was libertad sin pan and communism was pan sin libertad. Humanismo, he said, meant pan con libertad. And now he further mocks the Cuban people by telling them that if they are frightened over the prospects of being led down the road to communism, they really should not be worried, as it will take 30 years of socialism to get there.

Despite all the disclaimers, Dr. Castro likewise clarifies again his design for Latin America by proclaiming that guerrilla warfare will work in other nations of this hemisphere if they will but try it. Castro's "guerrilla warfare" is synonymous with Khrushchev's "wars of national liberation" through which international communism proposes to undermine and destroy established governments and extend its influence throughout the world.

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Dr. Castro has now lifted his personal mask, revealing the treachery of his rise to power. He has at last personally and publicly alined himself, as well as his regime, with the Sino-Soviet bloc, prescribing his formula for extending Castro-communism throughout the hemisphere. In doing this, he again has emphasized a fundamental truth regarding communism; namely, that wherever it has seized power and whenever it retains control, it has done so on the basis of deceit and oppression, destroying individual freedom and flouting the will of the majority of the people.

It is well that we contemplate carefully this record. Castro's Marxist-Leninist regime advocates economic and social change in our hemisphere through violence and oppression. Our governments, through the Bogotá and Punta del Este charters,2 have chosen to work toward the same objectives of economic and social change within the framework of liberty, national independence, and respect for individual rights. Are we now to defend the course which we have chosen against those who impede our forward march through agitation and subversion? My delegation firmly believes that the independent governments of the Organization of American States have a grave responsibility to act collectively to protect the sovereignty and political independence of the peoples of this hemisphere from any extension of the treachery of fidelismo and to let the Cuban people know that they are not alone and that they are not abandoned in their struggle to regain their God-given freedom.3

United States Delegations to International Conferences

NATO Ministerial Meeting

The Department of State announced on December 5 (press release 848) the members of the U.S. delegation to the 28th Ministerial Meeting of the North Atlantic Council at Paris December 13–15. The U.S. representatives will be Secretary of State Dean Rusk (chairman of the delegation), Secretary of the Treasury Douglas Dillon, and Secretary of Defense Robert S. McNamara.¹

TREATY INFORMATION

Educational Exchange Agreement Concluded With Ethiopia

Press release 854 dated December 6

The United States and Ethiopia concluded an agreement on December 6 for the establishment of a program of educational exchange between the two countries. The agreement was signed by the Minister of State for Education, Otto Gabre Meskal Kifle-Egzy, for Ethiopia and by American Ambassador Arthur L. Richards. The only other country in Africa to have an active educational exchange agreement with the United States is the United Arab Republic. The United States now has active educational exchange agreements with 41 countries throughout the world.

The agreement with Ethiopia authorizes the two-way exchange of students, trainees, teachers, research scholars, and professors in all fields. It also authorizes the establishment of a binational commission to plan and administer the program in Ethiopia. The equivalent of \$250,000 in Ethiopian currency is made available for the initial 3 years of the program.

The agreement with Ethiopia was the first to be concluded under the Fulbright-Hays Act (P.L. 256, 87th Congress), signed by the President on

² For texts, see *ibid.*, Oct. 3, 1960, p. 537, and Sept. 11, 1961, p. 463.

³ On Dec. 4 the Council approved the Colombian resolution by a vote of 14 to 2 (Cuba and Mexico), with 5 abstentions (Argentina, Bolivia, Brazil, Chile, and Ecuador).

¹ For the names of the other members of the U.S. delegation, see press release 848 dated Dec. 5.

September 21.1 The new act broadens the scope of previous legislation and provides more liberal terms for the participating country.

Current Actions

MULTILATERAL

Aviation

Convention on international civil aviation. Done at Chicago December 7, 1944. Entered into force April 4, 1947. TIAS 1591.

Atherence deposited: Sierra Leone, November 22, 1961.

Economic Cooperation

Convention on the Organization for Economic Cooperation and Development and supplementary protocols no. 1 and 2. Signed at Paris December 14, 1960. Entered into force September 30, 1961. Ratification deposited: Netherlands, November 13, 1961.

Finance

Amendment of article III of the articles of agreement of the International Finance Corporation of May 25, 1955 (TIAS 3620). Adopted September 1, 1961. Entered into force September 21, 1961.

Fisheries

International convention for the Northwest Atlantic Fisheries. Dated at Washington February 8, 1949. Entered into force July 3, 1950. TIAS 2089. Adherence deposited: Poland, November 21, 1961.

Telecommunications

International telecommunication convention with six annexes. Done at Geneva December 21, 1959. Entered into force January 1, 1961; for the United States October 23, 1961.

Ratifications deposited: China, October 19, 1961; Korea and Paraguay, October 26, 1961.

Telegraph regulations (Geneva revision, 1958) annexed to the international telecommunication convention of December 22, 1952 (TIAS 3266), with appendixes and final protocol. Done at Geneva November 29, 1958. Entered into force January 1, 1960. TIAS 4390.

Notification of approval: British East Africa, October 19, 1961.

Wheat

International wheat agreement, 1959, with annex. Opened for signature at Washington April 6 through 24, 1959. Entered into force July 16, 1959, for part I and parts III to VIII, and August 1, 1959, for part II. TIAS 4302.

Accession deposited: Sierra Leone, November 30, 1961.

BILATERAL

Congo (Léopoldville)

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, with exchange of letters. Signed at Léopoldville November 18, 1961. Entered into force November 18, 1961.

Germany

Agreement amending the agreement of October 8, 1956, as amended (TIAS 3660 and 4599), relating to the sale to the Federal Republic of Germany of certain military equipment, materials, and services. Effected by exchange of notes at Bonn November 24, 1961. Entered into force November 24, 1961.

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Morocco

Agreement for the exchange of international money orders between the postal administrations of the United States and Morocco. Signed at Rabat October 31, 1961, and at Washington November 30, 1961. Enters into force on a date to be agreed upon by the parties.

Portugal

Agricultural commodities agreement under title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended (68 Stat. 454; 73 Stat. 610; 7 U.S.C. 1731–1736), with exchange of notes. Signed at Lisbon November 28, 1961. Entered into force November 28, 1961.

United Kingdom

Agreement amending the agreement of May 10 and 13, 1957, as amended (TIAS 3843 and 4156), relating to the disposition of equipment and materials furnished by the United States under the mutual defense assistance program and found surplus to the needs of the armed forces of the United Kingdom. Effected by exchange of notes at London November 7 and 10, 1961. Entered into force November 10, 1961.

DEPARTMENT AND FOREIGN SERVICE

Consulate General at Dar-es-Salaam Elevated to Embassy

The Department of State announced on December 9 (press release 866) that the U.S. consulate general at Dar-es-Salaam, Tanganyika, was elevated to an embassy on that day. Tanganyika achieved independence on December 9 after administration by the British under United Nations trusteeship.

William R. Duggan, the U.S. consul general at Dar-es-Salaam and principal officer there since September 1958, has been named Chargé d'Affaires ad interim.

Recess Appointments

The President on October 25 appointed Frank M. Coffin to be Deputy Administrator of the Agency for International Development. (For biographic details, see Department of State press release 760 dated November 2.)

The President on November 26 made the following recess appointments:

George W. Ball to be Under Secretary of State.

Frederick G. Dutton to be Assistant Secretary for Congressional Relations. (For biographic details, see Department of State press release 849 dated December 5.)

¹ For remarks by the President, see Bulletin of Oct. 9, 1961, p. 603.

W. Averell Harriman to be Assistant Secretary for Far Eastern Affairs. (For biographic details, see Department of State press release 841 dated December 4.)

Edmond Hutchinson to be Regional Administrator for Africa, Agency for International Development. (For biographic details, see White House press release dated November 26.)

George C. McGhee to be Under Secretary of State for Political Affairs.

Walt W. Rostow to be Counselor of the Department of State and Chairman of the Policy Planning Council. (For biographic details, see Department of State press release 852 dated December 6.)

The President on November 30 appointed William A. Crawford to be Minister to Rumania. (For biographic details, see White House press release dated November 30.)

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Richard N. Goodwin as Deputy Assistant Secretary for Inter-American Affairs, effective November 30.

Designations

Alfred V. Boerner to be Director of the Bureau of Educational and Cultural Affairs, effective December 1. (For biographic details, see Department of State press release 830 dated December 1.)

PUBLICATIONS

100th Anniversary of Publication of Foreign Relations Volumes

Department Announcement

Press release 851 dated December 6

One hundred years ago this month, President Abraham Lincoln delivered his first annual message to Congress. For the first time in history the papers on foreign affairs that accompanied the message were bound in permanent form and issued by the Government Printing Office under the title Diplomatic Correspondence. Thus began the series of annual volumes, now known as Foreign Relations of the United States, that have been compiled in the Department and published for the information of all who have been interested in the

development of the international position and policy of the United States during this eventful century. The Department is gratified to note that the American Historical Association, which is holding its annual convention in Washington, December 28–30, has scheduled a discussion of the Foreign Relations series in commemoration of its 100th anniversary.

The series now numbers 210 volumes, the most extensive regular publication of its type in the world. Among the most recent volumes to appear in this series are those dealing with the momentous World War II conferences at Cairo, Tehran, and Potsdam. The very titles of these volumes vividly reflect the shift in U.S. foreign policy from 19th-century aloofness and isolation to 20th-century participation and leadership in the affairs of the world.

In this year of the Civil War Centennial it is of interest to note that the first document in the first volume of *Foreign Relations* was a circular instruction of February 28, 1861, from the Secretary of State to the American ministers in the capitals of Europe, urging them to see to it that the sovereigns to whom they were accredited understood that their long-term interests would not be served by recognizing the Southern Confederacy.

Mr. Lincoln's message to Congress, printed in the first volume of *Foreign Relations*, concluded with these ringing words:

"The struggle of to-day is not altogether for to-day—it is for a vast future also. With a reliance on Providence, all the more firm and earnest, let us proceed in the great task which events have devolved upon us."

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

The Foreign Service of the United States—Origins, Development, and Functions. Pub. 7050. Department and Foreign Service Series 96. xiii, 430 pp. \$3.50.

A comprehensive basic reference work on the growth of the Foreign Service from Revolutionary times to the present day. This volume, prepared in the Historical Office of the Department of State, includes appendixes, a bibliography, and an index.

Documents on Disarmament, 1960. Pub. 7172. xii, 419 pp. \$1.25.

December 25, 1961

1073

A sequel to Documents on Disarmament, 1945-1959, this volume contains an additional collection of papers, arranged in chronological order, on disarmament negotiations and related questions.

25th Semiannual Report to Congress, Educational and Cultural Exchange Program, January 1-June 30, 1960. Pub. 7191. International Information and Cultural Series 76. 73 pp. Limited distribution.

A report summarizing activities of the educational and cultural exchange programs of the Department of State for the second half of fiscal year 1960.

U.S. Participation in the International Atomic Energy Agency—Report by the President to Congress for the Year 1960. Pub. 7214. International Organization and Conference Series 19. 39 pp. Limited distribution.

This report covers the work of the Board of Governors and the meeting of the fourth regular session of the General Conference on IAEA, and the work of the Secretariat.

Publications of the Department of State, January 1, 1958– December 31, 1960. Pub. 7219. 116 pp. 60¢.

A list of publications of the Department arranged alphabetically by subject for ease of reference.

An Act for International Development, a Program for the Decade of Development—Summary Presentation, (Revised). Pub. 7224. General Foreign Policy Series 174. xxi, 189 pp. 75¢.

A six-part volume describing the new foreign aid program which President Kennedy outlined in his message to the Congress on March 22, 1961.

United Nations-Guardian of Peace. Pub. 7225. national Organization and Conference Series 20. 46

Remarks made by Adlai E. Stevenson, U.S. Representative to the United Nations, on a nationwide closed-circuit television program organized by the American Association for the United Nations and originating at New York, N.Y., March 2, 1961.

Chile: Rebuilding for a Better Future. Pub. 7228. Inter-American Series 70. 26 pp. 25ϕ .

An illustrated background including details of U.S. aid to Chile, information on the country's history, economy, political development, and other aspects of Chilean life, as well as a brief résumé of official U.S.-Chilean relations.

The Berlin Crisis—Report to the Nation by President Kennedy, July 25, 1961. Pub. 7243. European and British Commonwealth Series 63. $21~\rm pp.~15\phi.$

A White House radio-television report to the American people explaining the legal rights and commitments of the Western Powers and the first steps being taken by the United States in this crisis,

Career Opportunities as a Foreign Service Officer (Revised). Pub. 7245. Department and Foreign Service Series 102. 31 pp. 20¢.

A booklet describing the examination, the work and training of the officer, and the benefits to be derived from a career in the Foreign Service.

The UN . . . Meeting Place of Nations (Revised). Pub. International Organization and Conference Series 21. 12 pp. 10¢.

Leaflet summarizing the various functions and organizations of the United Nations.

The Nuclear Test-Ban Treaty: Gateway to Peace. Pub. 7254. Disarmament Series 3. 34 pp. 20¢.

Provisions of the proposed new treaty of the Geneva Conference and the many problems preventing its adoption are discussed in this pamphlet.

Check List of Department of State Press Releases: December 4-10

Press releases may be obtained from the Office of News, Department of State, Washington 25, D.C.

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[†] Held for a later issue of the BULLETIN.

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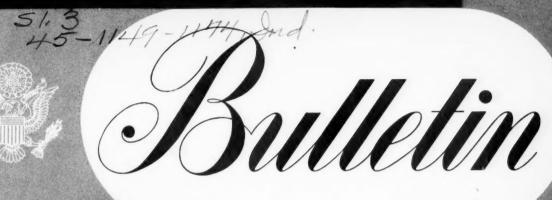
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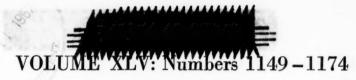
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